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Report Recommends NYCHA Cut Deficit by Slashing Community Centers

By Will Bredderman

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A new report by the Citizens Budget Commission—an independent nonprofit fiscal advocacy group—recommended the New York City Housing Authority prune its growing yearly deficits through controversial measures such as shuttering community and senior centers.

The study said that NYCHA could save $19 million by eliminating the 33 senior centers and 24 community centers it operates citywide, as part of a larger multi-million dollar cost-cutting effort the CBC claimed could have the perpetually indebted authority running surpluses as early as next year. The report called the centers "low-hanging fruit," as providing social services is not a part of NYCHA's mission to provide low-cost housing.

"These costs are worth highlighting because they relate to a distinct responsibility undertaken by NYCHA outside its core functions," the report reads, noting that the housing authority has proposed closing the centers in the past to balance its budget.

There are 252 active senior and community centers scattered across NYCHA's 334 developments in the five boroughs. By 2013, the city Department of Youth and Community Development and the Department for the Aging, as well as some local non-profits took the bulk of the centers over—which the CBC asserted provide adequate services and leave no need for the spaces NYCHA still funds and runs.

"The city's agencies are best suited to providing these services for residents and can serve all residents from the centers the agencies took over in 2013," the report says, noting that an independent study found that almost 40 percent of the money spent on the centers goes toward overhead. "NYCHA should devote all of its efforts to providing quality housing."

The city currently appropriates money for the NYCHA centers from year to year. The authority will run a $98 million operating deficit in 2015, and projects its labor costs, utility payments, property insurance and other day-to-day expenses will put in $400 million in the red in 2019.

The CBC report proposed that by shutting down the centers, renegotiating overtime agreements with the Teamsters affiliate that represents maintenance workers, eliminating redundant bureaucratic jobs, increasing parking fees on NYCHA properties, charging tenants more for utilities and increasing the rent collection rate from 77 percent to 95 percent, the authority could be back in the black by 2016—with an annual surplus of $82 million to $95 million a year through 2019.

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In response to the report, NYCHA acknowledged its straitened circumstances, but noted that a third of its residents are minors and that more than a third of its households are headed by seniors. Both groups, the authority argued, need public spaces to congregate for activities.

"The Citizens Budget Commission's rightfully recognized the gravity of NYCHA's fiscal situation—highlighting the critical need for additional funding to maintain and preserve public housing after years of federal and state disinvestment," a spokesperson told the Observer. "We are proud that our community and senior centers play a vital role in facilitating community engagement, education access, and job training for our 400,000 residents."

The authority is due to release its own renewal plan, "NextGeneration"—which will address not just the ballooning operating deficit, but the $16 billion in needed repairs and upgrades on its buildings—later this month.