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Mayor de Blasio's Public Housing Plan to Seek City Aid and More Money From Tenants

By Mireya Navarro

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Mayor Bill de Blasio is expected to announce on Tuesday an aggressive plan to shore up New York City's deteriorating public housing, calling for significant new financial help from the city and for squeezing more revenue out of the housing projects and their residents.

The plan includes several measures that could prove contentious, starting with a modified version of a stalled proposal to lease unused land in housing projects for private residential development. The city would also transfer hundreds of New York City Housing Authority employees to other city agencies, charge residents more for parking and try to increase the rate of rent collection.

Administration officials said drastic moves were needed to deal with chronic budget deficits and worsening disrepair among about 178,000 apartments that house more than 400,000 New Yorkers. The Housing Authority has an operating deficit of \$98 million this year and building maintenance needs totaling \$16 billion, threatening the survival of the city's single largest affordable housing stock.

"Public housing is part of New York's fundamental fabric," said Alicia Glen, deputy mayor for housing and economic development. "We're obligated to try to turn this ship around."

Mr. de Blasio, a Democrat, has staked his mayoralty on making the city livable for the poor. His plan represents an effort to make up for the loss of more than \$1 billion in federal capital subsidies since 2001 that have caused the housing agency, known as Nycha, to fall behind on maintenance and repairs and put off essential renovations.

The city, which started public housing on its own in 1934 under Mayor Fiorello H. La Guardia and has subsidized it at various levels over the decades, has already dedicated money for repairs and transferred oversight of 57 senior and community centers serving housing projects to other city agencies.

The plan to be announced on Tuesday will include a broader redeployment of staff and functions, moving 1,000 Nycha administrative and clerical employees — out of a total work force of 11,200 — to other city agencies that would absorb their cost of \$90 million a year. Some employees would be offered incentives to retire.

The agency also plans to eliminate its customer-call center, which means that public housing residents will instead start calling the general 311 city help line for repairs and complaints.

Michael Dardia, who oversaw the agency for years as deputy director of the city's Office of Management and Budget and now is a co-director of research at the Citizens Budget Commission, called the plan "very feasible" and said it could very well succeed in helping the Housing Authority operate in the black in a few years.



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"Some of the things are not going to be popular," he said. "But if they're going to provide subsidized housing, these are the kinds of steps they need to take."

A proposal to lease land within a yet to be announced number of housing complexes to developers is expected to generate \$500 million over 10 years, while also helping to create affordable housing. A similar proposal prompted an uproar two years ago — and was strongly opposed by Mr. de Blasio, then public advocate — when first proposed by Mayor Michael R. Bloomberg, a political independent.

That plan, though, required that only 20 percent of the units be affordable to lower-income households and raised fears among residents that it could lead to the eventual privatization of public housing buildings. In the proposal's current iteration, half of the rental units in new buildings would charge market rates and the other half would charge rents affordable to low-income households earning no more than 60 percent of the area median income, officials said.

Separately, the Housing Authority would give developers land, in exchange for \$200 million in fees over 10 years, to build 10,000 low-rent apartments starting at three housing projects — Van Dyke and Ingersoll in Brooklyn and Mill Brook in the Bronx. The units will count toward the mayor's goal of 80,000 new affordable units over a decade, officials said.

To cut costs, housing officials are also proposing to shed 14,000 apartments in severe disrepair from the authority's rolls and transfer them to other federal housing programs that allow private companies to lend money for repairs. The conversions are likely to raise further concerns about privatization. But federal officials said those worries were unfounded. Under housing program rules, the city agency would keep a controlling interest in the apartments.

Holly M. Leicht, regional administrator of the federal Department of Housing and Urban Development, said the city would be catching up to other public housing agencies around the country that already make use of the programs to cope with federal disinvestment.

"This kind of entrepreneurial, self-sufficient approach is necessary," Ms. Leicht said. "The reality is that the budget climate in Washington doesn't support public housing."

Ms. Leicht said it was hard to tell how fast city officials could roll out their plan and how soon they would be able to balance Nycha's operating budget and chip away at the maintenance backlog. Elements of the plan would need approval by HUD, and some, like moving housing authority staff members to other agencies, require negotiations with labor unions.

Some changes under the plan are less ambitious and merely bring the Housing Authority into the 21st century.

Shola Olatoye, the authority's chairwoman, said substantial amounts of paper record-keeping would be digitized. Recycling will be instituted in all of the city's 328 housing projects by 2016, and there are plans to develop an app for residents to track their repair work orders.

Other changes will require adjustments in the culture and expectations of public housing residents.

Officials intend to increase rent collections, from a current rate of 74 percent, at a gain of \$30 million a year. Rent, which is generally set at 30 percent of a tenant's income, and related fees account for about one-third of Nycha's \$3.1 billion budget. But Ms. Olatoye said the agency needed to do a better job collecting it.

Founded in 1932, the Citizens Budget Commission is a research and watchdog organization for all taxpayers and no special interests devoted to enhancing New York's competitiveness through promotion of sound state and local budget and management practices.



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About 54,000 households are delinquent for reasons that include inability to pay and withholding rent because of deficient conditions, Ms. Olatoye said, but “less rent means less resources for the Housing Authority to do its business.” She said she expected “people will pay their rent when they feel they’re getting better services.”

Shola Olatoye is the chairwoman of the housing authority. Credit Victor J. Blue for The New York Times

In a decision likely to prompt a backlash from residents, the agency will begin charging more for parking spaces, which currently go for about \$300 a year — an amount that in some neighborhoods would be the cost for one month. Current tenants, who will be offered the spaces first, will be charged up to \$150 a month. Any unclaimed spots will then be offered to the public at market rates.

“Parking is an amenity that we can no longer afford,” Ms. Olatoye said.

She said she recognized that some of the measures would be hard for residents to absorb, but that “this is about charting a sustainable path.”

“I need people to see a change — that their lobbies are going to be clean and the doors fixed,” she said. “I can do a lot, but residents have a role to play too.”

Yvette Anthony, a resident at Ingersoll Houses, said she welcomed new affordable housing in the complex because some residents might be able to qualify for it and because a new building would bring better services to the rest of the project.

But most of all, she said, she welcomed the attention public housing was getting.

“It’s good that they’re trying to do something instead of having Nycha as an old dinosaur,” Ms. Anthony said.

But Elizabeth Ortiz, a resident of the Lower East Side Infill No. 1 buildings, has a parking spot near another project, the Rafael Hernandez Houses, for which she pays \$340 a year.

She said she felt the parking rate increase was “unacceptable,” and added, “I think that they’re not maintaining the lots.”

“We have tons of money and the buildings are in disrepair,” she said.

City Councilman Ritchie Torres, a Democrat and chairman of the Public Housing Committee, said that parts of the plan might come as a bitter pill, but that major revenue producing measures like leasing land were “politically undesirable but financially necessary.”

“There are two options: Nycha generates more revenue, or you’re condemning public housing to demolition by neglect,” said Mr. Torres, who grew up in a housing project in the Bronx. “My hope is that elected officials and residents take the long view.”