

New York mayor de Blasio's housing plan: An assault on the working class

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Over the course of May, New York City's Democratic mayor Bill de Blasio announced a series of proposals he claimed were intended to address the crisis of affordable housing in the city. In reality these proposals, which cover public housing, homelessness, real estate development and rent regulations, are thoroughly right-wing, intended to open the door to privatizing public housing while squeezing more money from low-income residents.

During de Blasio's year-and-a-half-long tenure, conditions for the city's working class population have deteriorated further. The mayor continues to preside over rising homelessness and a desperate struggle on the part of working families to obtain affordable housing.

The population in the city's homeless shelters has increased by more than 4,000 since de Blasio took office. According to the Coalition for the Homeless, the number of shelter residents has reached the record level of more than 60,000, including nearly 25,000 children. That does not include the uncounted thousands more living on the streets, doubled up with friends or relatives, or forced into illegal and unsafe dwellings.

Similar conditions exist in New York City's public housing developments, the largest in the country. The 400,000 tenants in NYCHA (New York City Housing Authority) buildings live with a range of unsafe, unhealthy and disgusting conditions, including leaking pipes, rampant mold, and vermin infestations. Requests for repairs go unfulfilled for months or even years. Officials estimate that there is a backlog of \$18 billion in necessary maintenance work.

De Blasio's public housing plan, dubbed NextGen NYCHA, is an open attack on the future of public housing. With federal cuts exacerbating NYCHA's budget deficit, the mayor declared there is no way to

fill the funding gap outside of squeezing more money out of residents and turning public housing over for private development.

To start, approximately 11 acres of NYCHA land will be leased to developers to build condominiums. Half of the units would be set aside for low-income tenants, while the other half would go for market rates. Meanwhile approximately 14,000 NYCHA apartments allowed to deteriorate to an uninhabitable state will be removed from the public housing system and turned over for private investment.

A similar proposal was put forward by billionaire former mayor Michael Bloomberg but stalled. Developers are now banking on the "progressive" credentials of the new mayor to open the floodgates to privatization.

De Blasio's public housing plan also includes plans to increase rent collection, even among tenants facing abysmal maintenance conditions and impoverished residents too poor to pay 30 percent of their income for housing. Millions more in revenue will be extracted through parking rate increases, with some residents facing a staggering rate hike from \$300 a year to \$300 a month.

Another element of de Blasio's housing plan is the renewal of a tax giveaway for city landlords known as 421a. The program of tax abatements, which must be approved by the state legislature, would reduce by half the property taxes owed on subject buildings for another 15 years beyond their current expiration, provided that an additional five percent of the apartments in those properties have affordable rents.

Affordability is gauged on the basis of 130 percent of the area's median income. By that calculation, a family of four could be expected to pay \$2,800 in rent per month, a figure that is wildly unrealistic for much of

the city's population.

In effect, landlords would be getting a substantial tax break for a minimal contribution to alleviating the city's housing shortage, and reaping a substantial return paid for by the city. Without the extension, rents for units that were built under the expiring program would be allowed to jump to market rates (i.e., unaffordable for most working class New Yorkers) after a fixed period from their original construction, ranging between 10 and 25 years. Either way, the real estate industry, which has enthusiastically backed the proposal, stands to make substantial monetary gains.

As a fig leaf meant to burnish his "progressive" credentials, de Blasio has proposed a so-called mansion tax, which would add a one percent tax on residential property sales over \$1.75 million, with an additional 1.5 percent on the amount over \$5 million. This proposal must be approved by the Republican-dominated state legislature and has little chance of passage.

Another measure, also continued from the Bloomberg administration, consists of zoning changes that would allow the construction of greater numbers of units on a given building footprint than had previously been permitted. The loosening of regulations would be in exchange for the inclusion of a small number of units that are "affordable." This has lately taken the form of the notorious "poor door:" class-divided buildings, with separate entrances and other amenities, or lack thereof, for the lower-income residents.

In a further threat to housing affordability, the city's rent regulations, dating back to World War II, which have some limited effect in moderating the spiral of rent increases in older buildings, expire in June. Under the existing regulations, rent-stabilized and rent-controlled apartments are priced at rates considerably below current market value. Real estate interests are pushing hard to substantially weaken or eliminate them altogether. In another cosmetic gesture, de Blasio has proposed a number of measures, including an end to provisions that allow controls to be lifted under certain circumstances. Again, these proposals have little chance of being approved by the state legislature.

Meanwhile the luxury housing boom in New York continues unabated. A new residential building at 432 Park Avenue is now the tallest building in New York after One World Trade Center, expressing the unbridled

dominance of wealth and staggering inequality.

De Blasio ran in the mayoral election as a supposed opponent of social inequality, promising to make affordable housing one of his top priorities. In fact, after nearly a year and a half in office, this administration has shown itself to be just as much an instrument of the city's real estate interests and Wall Street as those that preceded it.

The phony reforms and left sounding talk on inequality, which has propelled New York's mayor to national recognition as a supposed standard-bearer of "progressivism," are nothing more than a tactical shift to push forward policies that would otherwise be certain to provoke a firestorm of opposition. In the richest city in the world, workers continue to face relentless attacks on their living conditions and basic social rights.



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