

New York City plans public housing privatization

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The adage “Never let a good crisis go to waste” may well have crossed the mind, if not the lips, of New York City Mayor Bill de Blasio as he worked out the plan to “save” public housing by gutting it. The “progressive” mayor is planning to use the New York City Housing Authority’s (NYCHA’s) financial crisis as a pretense to turn sections of public housing property over to private developers while hiking rates and fees for low-income residents.

The funding crisis is indeed severe for the NYCHA, the largest public housing agency in the country. Decades of disinvestment have left the city’s aging public housing stock with \$17 billion in unmet infrastructure needs. Federal cuts pilfered more than \$1 billion from funding since 2002, while city and state reductions eliminated hundreds of millions more.

As a direct consequence, the maintenance backlog in New York City public housing is staggering. Nearly four-fifths of housing units are in need of major repairs; more than a third have three or more major problems. Crumbling facades, leaky roofs, broken elevators, and rodent infestations have come to plague residents.

“Last year I did not get heat for a few months,” Earl Jenkins, a 40-year resident of Woodside Houses in Queens told the WSWS. “I called up every day, and they didn’t come. My daughter called the Channel One TV news station, and then they came.”

Tamara Thomas went down the list of maintenance needs at Woodside projects. “They have to make the buildings wheelchair-accessible, have better working elevators, update appliances and the laundry rooms. A lot of apartments have not been fixed or renovated for 30 years, and they don’t want to change things,” she said.

At development after development, the story is the same. Castle Hill Houses in the Bronx, with more than

5,000 residents, is short \$23 million this year. Baruch Houses, the largest public housing project in Manhattan, faces a five-year shortfall of nearly a quarter-billion dollars.

Over the past few weeks, Mayor de Blasio has revealed his response to the crisis. The pillar of his plan, projected to raise \$500 million over the next decade, involves handing over NYCHA property to private developers to build a mix of market-rate and “affordable” housing.

De Blasio’s plan closely resembles the privatization proposals put forward by former mayor Michael Bloomberg, which sparked widespread opposition from residents who recognized the move as opening the door to the eventual elimination of public housing. With Bloomberg unable to advance the policy in any substantive way, de Blasio dusted off the initiative and added a “progressive” gloss: half of the new apartments will be set aside for low-income tenants, compared to 20 percent under Bloomberg. These low-income tenants would pay up to \$1,259 a month for a family of four. However, at this rate, the new apartments are far out of reach for most NYCHA residents, who on average earn a monthly income of just \$1,942.

The de Blasio administration essentially admitted in a City Council hearing this week that in addition to leasing to developers so-called vacant or underutilized land—which could include parking lots, playgrounds, and green spaces—they intend to sell off property outright. When pressed for a guarantee that land would not be sold, NYCHA general manager Michael Kelly responded, “No, we cannot assure the committee that. We’re looking at each deal differently.”

“The move to privatize is not a surprise to me,” Sherell Wade, a resident of Ingersoll Houses in Brooklyn told the WSWS. Ingersoll, which is adjacent

to a cluster of new luxury condominium buildings, was one of three housing projects highlighted by de Blasio for private development. “It’s been in the works a long time. When you go to these [informational] meetings, your questions are not being answered. In my heart, I believe city housing is being phased out.”

In fact, the land leases and sales are not the only steps towards privatization in de Blasio’s plan. Approximately 10,000 existing units are slated to be removed from public housing and handed over to private investors, who would in turn lease out the apartments under a voucher program known as Section 8.

The disinvestment from public housing and conversion to Section 8 is a well-worn path deployed by housing agencies around the country. Since 1990, approximately 300,000 public housing units have been eliminated.

The next step in this process, embraced by the Obama administration and highlighted by de Blasio in his plan, is the Rental Assistance Demonstration, or RAD, program. RAD goes further than previous proposals by mortgaging public housing buildings to private investors in exchange for 15- or 20-year subsidized rental agreements. Rather than preserving genuinely affordable housing, it further undermines the foundations of public ownership and exposes the housing stock to the anarchy of the financial markets.

Yet even these proposed privatization schemes fall short of erasing NYCHA’s underfunding. De Blasio proposed a host of other measures to extract more revenue from current residents and reduce expenses. He targeted raising \$35 million a year through more-aggressive rent collection and huge increases in fees. Parking fees, for example, may rise more than 1,000 percent for some residents.

NYCHA’s workforce will also be decimated. De Blasio proposed cutting some 1,000 jobs through attrition and transfers to other city agencies, saving the agency \$90 million annually. The workforce reductions belie the cynical claim that the plan will “connect residents to best-in-class social services.”

As a further insult, the plan relies on raising \$200 million in philanthropic funding, effectively making public housing services contingent upon the whim of the city’s multimillionaires and billionaires.

The response to the crisis in public housing reveals

the real constituency of New York’s outspoken “progressive” champion in City Hall. It is not the working class and poor, the exploited side of de Blasio’s rhetorical “two cities,” but the real estate giants and financial houses that stand to benefit. The latter are epitomized by the Partnership for New York City, a consortium of corporate CEOs, whose president Kathryn Wylde hailed de Blasio’s plan. “The Administration is wisely taking a new approach to securing the future of our public housing with an innovative, ambitious plan to cut costs, modernize operations, and ensure the continued vitality of our largest and most important affordable housing resource,” she acclaimed.

What has the Partnership for New York City salivating is the potential for huge profits from valuable tracts of land now allocated to public housing. Several developments in Manhattan and Brooklyn offer waterfront views, abutting neighborhoods where luxury condos go for thousands a month. Throughout the boroughs, the property developers and hedge funds are eyeing public housing as new outlets for speculation.

While privatizations are the end goal, getting there requires displacing working-class residents. New York City is one of the last strongholds of public housing in the US. NYCHA developments, which often provide access to transit connections and good local amenities, make up more than half of all apartments with rents under \$800 per month. For many of the 400,000 residents, it is their only option for some measure of affordability.

A successful defense of public housing is contingent upon rejecting the lie peddled by the de Blasio administration and the entire political establishment that there is no money for basic social needs. It requires the working class to mobilize on a class basis, independent of both political parties and their appendages, to assert the fundamental social right of decent and affordable housing for all, in direct contradiction to the profit interests of a tiny few.



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