

Congestion pricing, public housing, and a sustainable New York City

April 3 2018, by Steve Cohen

New York's mass transit system originally included a group of privately run contractors, which government had to take over once it regulated fares so low that the private companies went broke. New York City's public housing began as a partnership between the city and federal governments, and from the late 1930s to the 1960s was reasonably well-maintained and well-managed. The era of new public housing ended in the 1970s and was replaced by "section 8" vouchers subsidizing private housing under the Community Development Act of 1974. That, along with the city's fiscal crisis in the 1970s and the anti-government era that took hold with Ronald Reagan's presidency in 1981, propelled New York's public housing into a long, slow decline.

NYCHA (the New York City Housing Authority) has long been plagued by inadequate resources and horrible management. While the buildings are a mess, they are low cost and remain in high demand. The 400,000 people living in New York's public housing help guarantee a diverse city. Public housing is scattered throughout New York and as neighborhoods gentrify, these buildings remain in place, shelters from the storm of extreme wealth. Like public housing, New York's mass transit helps define our city. The subway ensures that working people can get to work, to the doctor, to family and to friends, all at an affordable price. While both are falling apart, we finally see a small sign of hope with increased funding in the new state budget passed last weekend. As I note in my new book, The Sustainable City, both mass transit and diverse communities are critical components of healthy and sustainable urban places.



Deteriorating mass transit and collapsing public housing are finally on New York's political agenda. Unfortunately, so too is continued political dysfunction in Albany. While the state government works far better than the one we have in Washington, it remains corrupt, adrift, and incapable of addressing the very real problems facing New York City and the rest of New York State. Although I am focusing today on two city issues, the economic redevelopment of the former "Empire State" continues to languish in what is now a half century of economic decline. In contrast to Upstate's decline, the city's problems largely stem from rapid growth and inadequate governance.

During the fiscal crisis of the 1970s, the state took over the city's mass transit system, and from 1979-1983 we began the process of rebuilding that system under the visionary leadership of Richard Ravitch and then-Governor Hugh Carey. The subways got better. But as Neil Young famously observed, "rust never sleeps." Four decades later, the transit system has once again collapsed due to poor maintenance, inadequate investment, and incompetent management. One solution to this problem is new revenue. The mayor wants to tax rich people, since it's always popular to tax someone else. The new state budget provided a one-shot infusion of about \$1 billion to come equally from the state and city budgets. It also enacted a tax on cabs, black cars and Ubers south of 96th Street in Manhattan.

The \$1 billion will pay for bandages, but can't cover the cost of major surgery. The "Uber-cab tax" will generate additional and predictable revenues, but not enough to rebuild the system. The Uber-cab tax also won't do much to reduce congestion. Once you decide to ride in a cab in Manhattan instead of riding the subway, you have already declared your indifference to the price of transportation. The new tax will do little to cut cab traffic.

Congestion pricing is needed to generate the additional revenue needed



each year to fund mass transit. If the price is set by economic rather than political factors, it might be high enough to encourage trucks to deliver their goods in off hours, and speed traffic for those who must travel on the surface. An exemption to the congestion fee can be implemented for people from the outer boroughs needing health care in Manhattan or have other hardships that require personal transit. Congestion pricing is a necessity for New York City. The MTA needs the assured long-term revenues and lower Manhattan needs something to clear up traffic.

As for public housing, the media has effectively taught us that in our fast-growing (8.6 million people) city, where new construction and great wealth have become a way of life, the city's supply of public housing is falling apart from decades of deferred and inadequate maintenance. Leaks, busted boilers, vermin and crime are far more common than they used to be, and it is time to reimagine this antiquated system and rebuild it for the future.

Public housing residents are protective of what they have and mistrustful of efforts to use public assets like parking lots and open space to generate revenue. They have reason to mistrust the governments that have been responsible for their homes, since NYCHA is one of the city's least responsive landlords. Tenant mistrust of NYCHA is pervasive, and no solution to the city's homeless and housing crisis will be found if trust is not built. The issue with older tenants is an example of this problem. As Sarah Holder wrote for Citylab.com last December:

"The vacancy rates in New York City's public housing have fallen to an extraordinarily low rate—0.6 percent. As of December 2017, just 1,050 units are available, and 25,000 families are lined up waiting for a spot to open up. But it's not simply that there aren't enough empty rooms. Nearly a third of all New York City Housing Authority apartments are under-occupied, according to a new report from the city's Independent Budget Office. Of the 176,066 public housing units NYCHA rents out,



57,155 were under-occupied as of January 2017. Roughly half of those units were headed by older residents—age 65 and up. The presence of even one extra bedroom renders a unit "under-occupied." That often occurs when kids grow up and move out..."

It is good that the mayor and governor have brought media attention to the condition of public housing and that the state has thrown in an extra \$250 million to deal with the city's public housing crisis. It is also good that the state and city will provide new resources for the MTA. But neither is enough and neither addresses the fundamental structural issues that continue to cause these problems. Public housing requires an infusion of capital, but it also requires a long-term strategy for giving residents a voice in the management of their homes, and a stake in its maintenance and improvement. While many "under-occupied" apartments are probably occupied informally by family members, some apartments have extra space. Perhaps seniors with extra rooms in their homes could be encouraged to meet with homeless parents and children, and if they found a family they connected with, be permitted to rent out their spare rooms in exchange for cash and possibly some elder care. The resources of NYCHA's underutilized exterior and interior space could be deployed by residents to improve their lives and the lives of their communities. But not if these "solutions" are imposed by nameless and faceless city officials and real estate developers.

While maintaining existing public housing is crucial, it is not sufficient to deal with the long-term displacement of working people from a city that is getting too expensive to live in. The city's policy of requiring developers to build affordable housing in exchange for additional luxury development rights is one of the few avenues available without federal aid. But before long, the government will need to get back in the business of developing public housing. NYCHA's 400,000 residents helps ensure a diverse city, but in a city approaching 9 million, it is not enough.



I don't expect to see any profiles in political courage from New York's governor or New York City's mayor during our endless election season, but if we are to address the city's twin <u>public housing</u> and <u>mass transit</u> crises, they need to end their childish, churlish political playground brawl. Enough is enough, fellas. We need you guys working together. Your endless sniping at each other undermines both of you and harms New York. Why should a NYCHA resident or a subway straphanger believe either of you? You both need to rise above your petty political competition, roll up your sleeves, assemble your top people, and work together to address our housing and transit crises. To be a competitive global city we must become a sustainable city. The Trump era makes your conflict a luxury we can no longer afford.

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