

World Socialist Web Site

ONLINE

February 12, 2015

<https://www.wsws.org/en/articles/2015/02/12/nych-f12.html>

New York Mayor de Blasio announces meager housing goals

By Daniel de Vries

New York City Mayor Bill de Blasio used his annual State of the City address last week to proclaim the issue of affordable housing his main priority for 2015. “Nothing more clearly expresses the inequality gap...the opportunity gap...than the soaring cost of housing,” said de Blasio. The supposedly ambitious program, however, even if its goals are met, would vastly enrich real estate developers and leave millions of families still scrambling for a decent place to live.

Last year, a majority of households in New York spent in excess of 30 percent of their gross income on rent, the threshold under which the federal government classifies housing as affordable. Many families have no option but to shell out far more. In the Bronx, for example, average market-rate rentals are priced at 68 percent of the median household income, according to a recent survey by Realtytrac.com. Soaring prices and stagnating incomes are forcing families into exorbitantly priced, cramped, unsafe and sometimes illegal housing.

“It’s a devastating, depressing situation,” Ebony Quinones, a single mother of two, told the WSWs, describing her struggle to find a decent home. Her family currently lives in an illegally converted basement apartment, but the landlord is selling the building to be converted into high-priced luxury rentals. The going rate for two bedrooms in Park Slope, Brooklyn, where she currently resides, is \$3,300 a month.

“We have nowhere to go. I’ve tried everything—low income housing, but they don’t take vouchers anymore. I applied for the housing lottery three times with no call back,” she explained, adding that some of the so-called affordable options on offer require an income of more than \$50,000 a year. With landlords often demanding earnings of at least three times rent, everything she has seen is far out of reach. “Who makes \$8,000 a month? I’m limited to work because I have to care for my autistic son. I need a roof over my head.”

Homelessness in New York City soared to an all-time high last year. At present, nearly 60,000 people depend on the emergency shelter system for a bed at night. Hundreds of thousands more are a job loss, a medical bill or a landlord sale away from the same fate.

Dale Smith has been in the shelter system with his family for the last six years. “We’re going through a crisis right now. It’s breaking down the family unit,” he said, explaining that his wife is currently incarcerated after violating a drug treatment program, his 21-year-old daughter is

floating around from place to place, and he is worried that his 15-year-old son will soon do the same.

Even after securing a voucher to temporarily subsidize rent payments, Smith found landlords unwilling to accept the city-run program, fearful that funding will once again be cut and tenants will have no means of paying market-rate rent.

“From the outside you look and see all these programs and you think it’s working,” Dale said, “but from the inside you see exactly what I’m talking about. I’m trying to do the right thing, but I have to slug it out with the government bureaucracy. It’s a crying shame, because if politicians can spend millions on pillaging countries for natural resources, eventually something’s got to give.”

Both Smith and Quinones were turned away from an overcrowded event last Thursday, in Brooklyn’s rapidly gentrifying Crown Heights neighborhood, held to provide guidance on the city’s affordable housing lottery. A standing-room-only crowd of hundreds packed a church meeting room in the hopes of improving their chances of navigating the burdensome and restrictive application process, while hundreds more drifted about outside in the bitter cold, unable to gain admission.

The city housing lottery is a sham, a cruel joke on the hundreds of thousands who are desperately trying to avoid homelessness or substandard and unsafe conditions. The apartments offered under the lottery are a key part of de Blasio’s housing plan, which aims at 80,000 new units for low- and middle-income tenants over the next 10 years, along with the preservation of 120,000 others. During his speech last week, the mayor boasted of the progress during his first year in office: 6,000 newly constructed affordable units, on schedule to meet his 2024 goal.

But a quick look at the housing lottery statistics illustrates that the “tale of two cities” that de Blasio decried when he ran for office is now the one he guides as mayor. Workers have little more chance to win this lottery than they do when they place bets in the hope of winning state lottery jackpots. For one development in Harlem, approximately 48,000 applicants competed for 98 apartments. In Greenpoint, Brooklyn, 59,000 applications came in for 105 units. In neighboring Williamsburg, the release of just 38 affordable apartments drew more than 80,000 applications.

The “affordable” rentals offered by the city are spread across a range of what the government categorizes as low, moderate and medium incomes. The latter includes households that earn up to 165 percent of the area median, which for New York City equals approximately \$140,000 for a family of four. For these families, building owners can charge monthly rents in excess of \$3,500, but these apartments still fall into the category of “affordable.”

Roughly half of the Bronx workforce earns wages less than \$13 an hour. In Brooklyn, the comparable figure is near 40 percent. For wide sections of the working population, to describe these units as affordable is absurd.

At Atlantic Yards, the massive project in Brooklyn now under construction, fully two thirds of the 600 apartments set aside for low- and middle-income tenants will go to households making more than \$100,000 a year, with rents starting at \$2,600. The mix of income levels was worked out in negotiations with the de Blasio administration.

Even if the 10-year goal of 200,000 new or preserved apartments is met, it will not come close to meeting the demand for housing reflected in the current lottery statistics, not to mention the new entrants into the market for decent housing, about 60,000 annually.

The primary beneficiaries of the de Blasio plan will be the real estate profiteers, the banks and developers whose profit interests are unchallengeable in the eyes of the entire political establishment. The bulk of the apartments will continue to go to the wealthy, further fueling gentrification and inequality. In order to spur construction, the “progressive” mayor offers a variety of public giveaways: tax exempt bonds, property tax breaks, zoning bonuses and expedited permitting. He further announced the opening up of residential development areas previously zoned for other uses, in exchange for mandatory set-asides for low- or medium-income residents.

New York is experiencing a renewed residential construction boom, but it is dominated by contemporary castles for the ultra-wealthy. Two industry groups, the New York Building Congress and the New York Building Foundation, estimated in October that approximately \$10.9 billion would be spent on housing construction last year, up 60 percent from 2013, and similar to the figures in the years leading up to the financial crash. Yet, while spending skyrocketed, the number of newly constructed housing units rose by only a fraction, up 22 percent to 22,500 units, but well below the 30,000 produced annually from 2005 to 2008. “Such a wide disparity between spending and production is partially explained by a wave of so called ultra-luxury condominium towers that are being planned and built in Manhattan,” said the head of the Building Foundation.

Nowhere is this more evident than along a stretch of Manhattan’s 57th Street, now referred to as billionaire’s row, where six luxury towers overlooking Central Park are currently under construction. A penthouse suite at One57 recently broke new records, selling for more than \$100 million. The tax abatement programs offered by the city and state are estimated to save the purchaser of the penthouse apartment \$360,000 in taxes.

With or without tax breaks, the current allocation of housing and construction resources to serve multimillionaires and billionaires is socially obscene. De Blasio’s policies will do nothing to alter this state of affairs. He intends only to make construction of “affordable” housing slightly more attractive—that is, profitable—to developers. A relative handful of these units will be made available for a lucky few, while the majority of workers, youth and retirees face an increasingly tenuous and desperate situation.

Genuinely affordable housing requires a massive construction program far beyond what de Blasio has suggested. This in turn is only possible on the basis of socialist policies, including the public ownership of the home-building industry and the allocation of society’s resources to meet the basic needs and social rights of working people.