

THE FIVE BOROUGH

REPORT



Welcome to the first issue of the *Five Borough Report*, a monthly newsletter brought to you by the Five Borough Institute. The Five Borough Institute is a non-partisan research and educational organization whose mission is to encourage the development of progressive public policies. Our focus is on urban economic and political issues, especially those that affect New York City and the surrounding region, including global economic forces that threaten the jobs and livelihood of working people.

This newsletter will present analysis and proposals for a different issue every month. Each Report will present a position paper on a different public policy. We encourage comments sent to us email. We expect to publish a least one response in subsequent Reports and place others on our website so that there will be a fruitful discourse among our readers where important differences are presented. Each issue will also include information on new reports and papers. We hope to provide a forum for policy ideas that will help the working people of New York City.

The *Five Borough Report* is distributed to labor unions, academic institutions and public policy makers. To help us continue to bring you the *Five Borough Report*, please make a donation to the Five Borough Institute. We are a tax-exempt organization, so your donation will be tax-deductible. More importantly, it will enable us to continue to publish reports like this one and hold conferences on issues of importance to working New Yorkers.

A Letter from Ed Ott

Vice-Chair of the Five Borough Institute

Dear brothers and sisters:

I'm pleased to enclose the first issue of the monthly newsletter published by the Five Borough Institute. It is designed to provide useful and timely information and insight to the New York labor movement; they can be reprinted in union publications, distributed as pamphlets, distributed on websites, etc.

Articles are prepared by academic experts in our colleges and universities. They are designed to help sharpen labor's voice in debates about public policies where labor has an important stake. These policies are central in determining the future strength of the city's economy, and in how fairly and equitably the fruits of economic growth are shared with the city's working families.

Fraternally,

Ed Ott

Issue Forum

Build Housing

by George S. Locker

The housing problem. Rental housing in New York City has never been more expensive or less available. Impacting on so many aspects of life, the lack of decent and affordable housing may be the most serious problem facing New York.

Housing is too expensive. NYC started the decade with some 925,000 units of low-cost (\$500/month) housing and ended it with less than half that amount. Today, one out of three New York households pays more than 30 % of its income for rent, the current Federal measure of housing affordability. One out of four pays more than 50%.

With rents high and wages low, vast numbers of New Yorkers cannot afford to rent a decent apartment or to stay in the one they have. In 1999, the City's Housing Court issued 112,000 warrants of eviction to landlords, with the City Marshal taking actual possession of residences in over 23,000 separate cases.

There is a massive shortage. The high cost and poor condition of housing are products of a cumulative deficit of at least 562,000 units for the City's needs.

These un- and under-housed New Yorkers include occupants of the 264,000 rental units classified as "physically poor," with significant structural or maintenance defects; those living in the estimated 100,000 illegally converted basements, garages and subdivided rooms; the 100,000 thought to be improperly doubled up in public housing; the 75,000 private households defined as "severely overcrowded" and the 23,000 in homeless shelters.

Tenant advocates generally understate the magnitude of the housing shortage while public officials and candidates alike simply ignore the issue. It is not possible to address the high cost and low quality of NYC housing without first redressing the massive and growing shortage of actual available units.

The housing stock is old and deteriorating. 40% of all multiple dwelling units are of tenement-era design and construction. The public health consequences of so much obsolete housing have only begun to be explored.

Notwithstanding the City's desperate need for new housing construction, the private sector has all but ceased to build in New York. In the 90's, a yearly average of 7000 new units were built, half the number of units as were lost in the same time period. (In the 60's, an average of 37,000 units/year were built).

With so little new construction, New York's available housing supply is determined by the annual number of housing losses offset by the conversion of already existing structures into residences.

We need to build housing. Without housing construction

Continued from "Housing" organized on a large scale, it will be impossible to keep rents from rising or the housing supply from deteriorating further. Considering the current housing needs plus annual losses, a program to eliminate this shortage would require construction of about 52,000 units a year, for fifteen years, and 15,000 units/year thereafter. Based on past performance, we are more than capable of building housing in the quantities needed.

There is a growing concern. Political leaders, tenant advocates and the press have begun to address the housing crisis in New York with greater directness and a sense of urgency — not only out of traditional concerns for the poor and the working poor¹, but for the middle class² and for the City's overall economic growth and well-being³.

In September, Jimmy Carter convened a public meeting in Harlem to solicit the views of the mayoral hopefuls on the housing problem. The *Daily News* published the views of the candidates in its "Visions for Housing" series⁴. Thereafter, it printed a letter that showed the most ambitious of the proposals to be woefully inadequate⁵. Two weeks later, the *News* featured an Op-Ed article by the same author that called for the construction of public housing⁶. Editorial support for construction of public housing may now be a possibility.

Government must play a role. The legislative vehicles to implement a large-scale public housing construction program already exists. Affordable, economically diverse, public housing could be built today through the NYC Housing Authority on City and other land from progressive tax revenues, by NYCHA itself, in partnership with private developers.

A well-researched and compelling proposal for public housing construction would be of interest to a variety of constituent groups and political candidates.

This civic renewal project would need to review and suggest revisions of zoning regulations, assemble public lands and brownfield sites, extend mass transit lines, employ advanced construction techniques with innovative architecture, and reflect humane planning.

Organizing for change. It is clear that building housing in the public domain for ordinary folks would rejuvenate New York, bring rent levels down, and generate many good jobs in the process. The upcoming local and state elections provide a short-lived opportunity to build a union/tenant/legislator movement to create and fund a municipal construction program to eliminate the housing shortage. An organized and coordinated effort begun now could achieve important and lasting results.

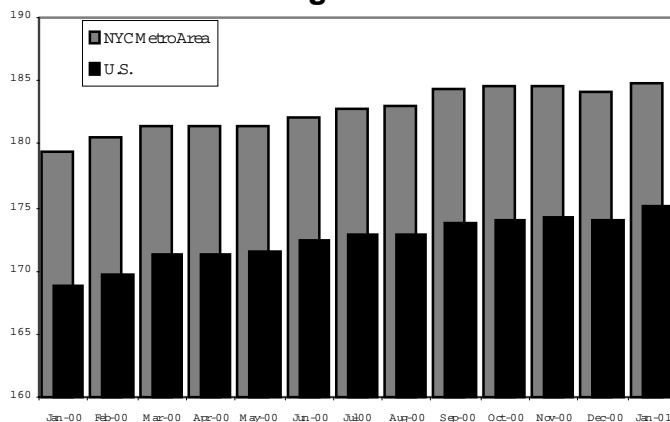
Notes:

1. "Housing a Growing City - New York's Bust in Boom Times", Coalition for the Homeless, July 2000.
2. "A Time to Build", C. Virginia Fields, January 2000.
3. "No Room for Growth", H. Carl McCall, October 1999.
4. "Wanted: Affordable Homes", NY Daily News, September 19, 2000, page 41.
5. "From the Ground Up", George Locker, NY Daily News, October 2, 2000, page 16.
6. "City Must Build on Past Successes", George Locker, NY Daily News, October 18, 2000, page 45.

Send us your responses. We may print them in an upcoming forum.

The Region at a Glance

The Cost of Living in the New York Area



The Consumer Price Index for the New York Metro area rose 3.1% in January.

Some Interesting Reports

New York's income tax system among the best for low-income working families in 2000

New York State's Earned Income Tax Credit (EITC), enacted in 1994, was responsible for much of the relief for low-income families, according to a report by the Fiscal Policy Institute, while the income tax rate cuts and other changes enacted in 1995 cost billions but provide very little help.

The report also found that New York provides significant help through the income tax system to working families with children in child care.

For the complete report:

<http://www.fiscalspolicy.org/downloads/inctaxthresholdsMarch01.pdf>

Building a ladder to jobs and higher wages

More people are working in New York, and yet unemployment rates remain high. A relatively small share of working-age New Yorkers are employed, and many are employed in low wage industries and wage levels for most workers have yet to recover from the recession in the early 1990's.

The Working Group on New York City's Low-Wage Labor Market has issued a report suggesting ways to increase the quantity and quality of jobs in New York. Recommendations include re-zoning for more industrial space and significant jobs training for workers.

For the complete report:

<http://www.buildingaladder.org>

New York leaves millions of Federal dollars unspent for anti-poverty efforts for state's poor families

The state government has failed to spend over \$1.3 billion in federal funds from the Temporary Aid for Needy Families, according to a report from the Fiscal Policy Institute and SENSES. The report recommends full use of the Congressionally-authorized aid for the 24% of New York's children who live in poverty in order to prevent federal budget cuts based upon unused TANF money.

For the complete report:

<http://www.fiscalspolicy.org/tanfpr.doc>

