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New Buildings Are Proposed Among Projects

By DIANE CARDWELL

Facing a \$225 million budget gap, the City Housing Authority is planning to sharply reduce its staff and sell vacant land in its projects for development into housing, much of it for middle-income residents, officials said yesterday.

Under a plan scheduled to be approved today, the authority is proposing to raise \$50 million by selling parking lots and other open space at a number of housing complexes. Officials at the authority, which is the landlord for more than 400,000 low-income New Yorkers, said that although some of that development might include market-rate units, the income from the land sales generated would help preserve housing for the poor.

The city's Department of Housing Preservation and Development, which often works with private developers to build homes for residents with a broad range of incomes, will buy the land, and expects to select developers for three projects on the West Side of Manhattan and one in Brooklyn within a few weeks, a department spokesman said.

At the same time, Housing Authority officials, who have been steadily reducing the agency's staff, plan to eliminate an additional 500 jobs by October, through layoffs and by letting vacancies go unfilled. The authority also plans to use \$100 million from its capital budget, which is normally set aside for long-term physical upkeep of its 2,653 residential buildings, to help cover its day-to-day costs.

Despite those moves, the authority still faces a nearly \$52 million budget gap for the current calendar year.

“This budget requires hard choices, given the limited amount of new aid provided by Washington and Albany,” said Tino Hernandez, the Housing Authority chairman. “The board is taking the steps necessary to ensure fiscal stability while maintaining our commitment to the residents of public housing.”

The Housing Authority has struggled for years to balance its books as the gap between federal subsidies and expenses for items like pensions and heating fuel have continued to grow. Over the years, the authority has undertaken a variety of measures, including raising rents, freezing hiring, reorganizing management and seeking additional assistance from Washington and Albany — assistance it usually did not get.

Officials at the authority have abandoned efforts, for instance, to gain permission to use \$117.5 million from federal programs in different ways from the originally intended uses. And they are still waiting to see if they will be able to use \$27.7 million from a rent-subsidy program known as Section 8 for housing that was built by the city and state but no longer receives aid from them.

Requests for \$62 million in state aid yielded only \$3.4 million, while a proposal to bring parity to the way the state helps welfare recipients pay for public and private housing — which could ultimately mean an additional \$46.6 million a year — is still pending.

In response, the authority is looking to reduce its work force of roughly 13,000 full-time employees by 500, a move that could result in service cuts at properties where there have already been reductions in weekend staff levels while rents have increased.

Although officials in Mayor [Michael R. Bloomberg](#)'s administration have been considering the idea of selling vacant land in the projects for years, they are only now taking the first major steps toward doing so. Housing Authority officials say there is enough empty or underused space within its developments to support 25,000 new apartments and homes, but that they are selling only enough for roughly 5,000 or 6,000.

Among those parcels are parking lots at the Fulton Houses on 18th Street between 9th and 10th Avenues and at the Elliott-Chelsea complex on 25th Street

and 9th Avenue. According to the city's request for proposals from developers, the apartments at the two complexes are to be affordable to a family of four earning \$56,720 to \$116,985 and single households earning \$39,700 to \$81,890.

At a similar development planned for a parking lot and basketball court at the Harborview Terrace Houses, on 55th Street between 10th and 11th Avenues, most of the apartments are to be set aside for those earning \$43,249 to \$116,985 for a family of four and from \$30,247 to \$81,890 for a single resident. The Manhattan developments are expected to create more than 400 new rental apartments.

And a parking lot at the Linden and Boulevard Houses in East New York, Brooklyn, is to become a mixture of 180 two- and three-family and condominium town houses. At least 15 of the two-family units are to be set aside for households earning no more than \$56,700 for a family of four, with the rest affordable to households earning no more than \$92,170 for a family of four.

The Housing Authority sees the plan as a way of leveraging its assets in a time of fiscal strain, but the Bloomberg administration also sees it as a way to ease the housing crunch for middle-class residents.

“We’re creating more economically diverse communities by mixing middle income with the low-income populations” at Housing Authority projects, said Neill Coleman, a spokesman for the Department of Housing Preservation and Development.

Mr. Coleman said that while it was “certainly conceivable” that the developments would one day include market-rate housing, the department would be able to mandate a higher proportion of lower-cost housing because it was buying the land from another government entity at a lower cost than it could privately.

Several advocates of low-cost housing said that they supported the approach in theory, and that mixed-income communities are desirable for those who live in them. But some warned against using public land for middle-income residents at the expense of the poor.

“Within reason, a mixed-income, economically diverse community is a good community,” said **Victor Bach, a housing policy analyst at the Community**

Service Society, which works with the poor. “Because the site and the land is being obtained from N.Y.C.H.A., and N.Y.C.H.A. has a historical mission to assist low-income New Yorkers in providing housing that’s affordable to them,” he added, “that should be reflected in a higher proportion of the housing going to low-income New Yorkers.”

At the Fulton Houses, a dark red brick complex on a quiet, leafy street in Chelsea, a resident, Diane Humphrey, 46, could hardly agree more. “This is supposed to be low income, not high income,” she said. “Rent’s going up, it ain’t going down. That’s unsuitable for a lot of people. Our rent is going up and up. And now they’re talking about building something else.” She added, “They should build more low-income housing.”

Colin Moynihan contributed reporting.

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