**Largest Public-Housing System in the U.S. Is Crumbling**

New York City’s sprawling public housing needs $25 billion of repairs; ‘we’re hitting a crisis point’

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New York City’s public housing is literally falling apart.

The sprawling network of 176,000 apartment units across the five boroughs needs an estimated $25 billion of repairs, up from $6 billion in 2005. Yet annual federal funding for the nation’s largest public-housing program hasn’t kept pace.

Residents of decaying brick towers battle leaking roofs and moldy walls, broken elevators and aging infrastructure. This winter, the housing authority’s ancient boilers gave out, leaving more than 320,000 people without heat or hot water.

“When you constantly cut a budget for housing…this kind of crisis is going to emerge,” said Shaun Donovan, a former secretary of the Department of Housing and Urban Development and a former New York City housing commissioner. “It’s dire.”

Advocates said conditions now pose danger to residents, especially to children and seniors.

“We’re hitting a crisis point,” said Afua Atta-Mensah, executive director of Community Voices Heard, a New York City nonprofit that organizes public-housing residents. She said the group has been buying carbon monoxide monitors for people who have been using their ovens as a heat source, a practice that fire officials have warned is dangerous.

Mayor Bill de Blasio has blamed public-housing problems on decadeslong funding declines from Washington. The New York City Housing Authority is overseen by HUD.

Housing authorities in other major cities, such as San Francisco, Chicago and Atlanta, now manage a vanishingly small share of their units. In some cases, cities have continued to own the land or buildings and they are run largely by private real-estate

companies, while in other cases the original buildings are demolished completely. Tenants typically are given Section 8 rental-subsidy vouchers.

Critics say New York was too slow to adopt this model.

“New York was always relatively more self-satisfied with the condition of its public housing, until it got so bad that it couldn’t avert its eyes,” said Howard Husock, vice president of research and publications at the Manhattan Institute, a right-leaning research group. “The crisis came later to NYCHA. Now that it’s here, it has to adjust.”

Deputy Mayor Alicia Glen said in an email message that New York City couldn’t meet the authority’s needs without federal investment. “The city cannot solve the crisis in our public housing alone.”

Federal housing officials under President Donald Trump so far have said little about NYCHA’s problems. Lynne Patton, HUD’s regional administrator, declined to comment through a spokesman. Asked earlier this year what HUD was doing to help the city restore heat and hot water to residents, Charles McNally, a HUD spokesman, said it was “working to provide regulatory relief that will help NYCHA operate more efficiently and to leverage private financing that will address their underlying capital needs.”

Preserving New York’s properties likely will require drastic measures. Those could include declaring bankruptcy, said one person familiar with the matter. Such a move could allow the housing authority to renegotiate contracts with its union workers, which account for more than a third of its $3.3 billion expense budget this year.

Bringing in private partners to rehabilitate and manage public housing could generate millions of dollars of new investment but raises fears of privatization in the eyes of many tenants and advocates. Mayor de Blasio was initially resistant to that approach, embracing it only after appeals from Obama administration housing officials and NYCHA Chairwoman Shola Olatoye, according to people familiar with the matter.

“My colleagues around the country have in some ways outpaced NYCHA in reimagining a new model,” Ms. Olatoye said in an interview. “And I just hope that it’s not too late.”

So far, the city has transferred one traditional public-housing complex with some 1,400 units over to private management and has plans to complete the same process for 15,000 units over the next decade.

Tenant groups have been wary of the changes—even though officials assure them NYCHA will retain ownership of the buildings.

“Residents are very organized, and lots of residents are organized politically as well,” said Polina Bakhteiarov, deputy director for real-estate development at NYCHA. “An elected [official] can screech the process to a halt with a single phone call.”

Dereese Huff, a resident association president at Campos Plaza I, was among those tenant leaders who initially resisted bringing in private developers to buy a stake in the 270-unit NYCHA-owned Section 8 building on the east side of Manhattan.

But Ms. Huff has been won over by the changes that she has seen since for-profit developer BFC Partners and L+M Development Partners took over the management in January 2015. The developers poured $26 million into renovating kitchens and bathrooms, putting in new heat and hot-water systems and upgrading elevators.

“It went from a dark, dreary place to a wonderful, light place,” she said. “I think NYCHA should go ahead and start privatizing all these buildings.”