

# Play with House Money

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By the Editorial Board

The beleaguered New York City Housing Authority has begun to put the real in real estate.

Taking advantage of a federal program that subsidizes private landlords who renovate low-income housing, NYCHA Chair Shola Olatoye brought in developers to share ownership of 875 crumbling apartments in Manhattan, the Bronx and Brooklyn.

Tenants will continue to pay reduced rents while the developers finance upgrades, make a good buck and generate a projected \$200 million for NYCHA.

The authority desperately needs many similarly creative deals. It will start 2015 with an operating budget that's \$98 million in the red, plus a \$14 billion shortfall in money needed to repair roofs, replace plumbing and keep increasingly derelict buildings habitable.

While U.S. law forbids mortgaging public housing, a spending deal in Congress may expand a small program that lets housing authorities team up with developers for a turnaround.

Ocean Bay Houses in the Rockaways would get a \$78 million overhaul under the spending bill. That'd be a start, but would still leave about 176,000 NYCHA apartments rotting.

Congress must do much more. So must New York's mayor.

Even as tenants suffer from leaks, mold and vermin, the property on which their housing projects sit is worth billions — an asset that NYCHA is forbidden to tap even with ironclad provisions in place to protect tenants.

Cries of “privatization” invariably greet sensible strategies for rescuing public housing. Mayor de Blasio put on hold urgently needed plans to raise funds for maintenance by developing new housing on NYCHA properties. Meanwhile, tenants live in conditions that would result in any private landlord getting hauled off to Housing Court.

Private money, and lots of it, will be key to saving New York's public housing from atrocious living conditions.