

To Save Public Housing, New York Warily Considers a New Approach: Tear Some Down

A plan would replace two buildings in Chelsea with mixed-income private developments. Residents fear displacement.



By **Luis Ferré-Sadurní**

April 25, 2019

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Years of neglect, mismanagement and drastic funding cuts have forced the beleaguered New York City Housing Authority to entertain bold solutions to alleviate the dismal conditions of its mold-ridden and pest-infested apartments.

Demolishing and rebuilding from scratch are now among them.

The city is considering a proposal to tear down two buildings in a public housing complex in the Chelsea neighborhood of Manhattan and build three mixed-income private developments, according to several officials briefed on the tentative plan. The plan would raise money for urgently needed repairs.

Under the proposal, residents in the two buildings would be relocated to new affordable apartments with private landlords within the Fulton Houses, an 11-building complex a few blocks south of Hudson Yards that abuts the High Line, several luxury hotels and prominent art galleries.

In its eight-decade history, the housing authority, known as Nycha, has shied away from tearing down its aging buildings, with the exception of a high-rise complex in Brooklyn and some low-rise buildings in Staten Island.

But the brick buildings of the Fulton Houses, built in 1965, have deteriorated even as Chelsea has undergone a dizzying economic transformation that has made real estate values skyrocket and mom-and-pop stores shutter, burdening many public housing residents with higher living costs.

In total, three residential towers with almost 700 new units could be built, according to preliminary details of the plan obtained by The New York Times. Each building would have a proposed mix of 70 percent market-rate apartments and 30 percent affordable units.

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“This is a conceptual framework of what we think drives the most money to ensure that we are rehabilitating the apartments that are at Fulton,” Kathryn Garcia, the interim chairwoman at Nycha, said in an interview, noting that the plan was in its early phases.

Ms. Garcia stressed that residents would not be displaced, and Mayor Bill de Blasio emphasized that point at an unrelated news conference on Monday, after Politico first reported the proposal.

“Every Fulton resident will receive either a brand-new or completely renovated apartment, and we look forward to starting our resident engagement process soon,” Ms. Garcia said.

Those reassurances, however, did little to quash the concerns of residents who have longstanding fears of being displaced from one of the most expensive and gentrified neighborhoods in the city.

“Everybody should be scared,” said Miguel Acevedo, the resident association president at the Fulton Houses. “We are human. We have a heart. We have families. People fear it is easier to get evicted with a private landlord.”



Miguel Acevedo, the resident association president of the Fulton Houses, said the city's plan would likely face resistance.
Andrew Seng for The New York Times

The proposal to partner with private developers to build on underutilized Nycha land is a central part of Mr. de Blasio's revamped plan to generate desperately needed revenue for the housing authority, which is facing \$32 billion worth of backlogged repairs to its roofs, boilers and elevators.

For decades, New York City took pride in its public housing high-rise towers — a huge array of affordable apartments for 400,000 low-income New Yorkers — as housing projects across the country came down by the dozens.

“The fear I always had was what happened in Chicago, what happened in St. Louis, whereas buildings deteriorated, the civic consensus became ‘tear them down,’” Mr. de Blasio told The Times in an interview last year. “I think that’s horrifying, and I could never live with any approach like that. We have to guard against that type of mentality.”

So as the city’s public housing stock, the oldest and largest in the country, has aged, administration after administration has mostly chosen to renovate rather than raze and wade into complicated politics.

Demolishing buildings had not been a part of the calculus — at least not publicly — and Mr. de Blasio will likely face a struggle to garner buy-in from other elected officials and skeptical residents.



Mayor Bill de Blasio

@NYCMayor

Don't believe the rumors and misinformation: this administration would never replace an old building until brand new apartments at NYCHA rents were ready for every single resident. No one in Chelsea's Fulton Houses should stay awake tonight worrying about losing their home.

67 11:33 PM - Apr 21, 2019

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“City Hall has been thinking about having us bring them different ideas on what would be most effective to drive money into Nycha,” Ms. Garcia said. “I am cautiously optimistic that we can move these projects ahead quickly and we will get the support that we need.”

The Fulton Houses consists of 944 apartments with an average monthly rent of \$660, a sharp contrast to the neighborhood’s \$3,462 median asking rent in luxury buildings and a stark example of the growing income inequality in New York City.

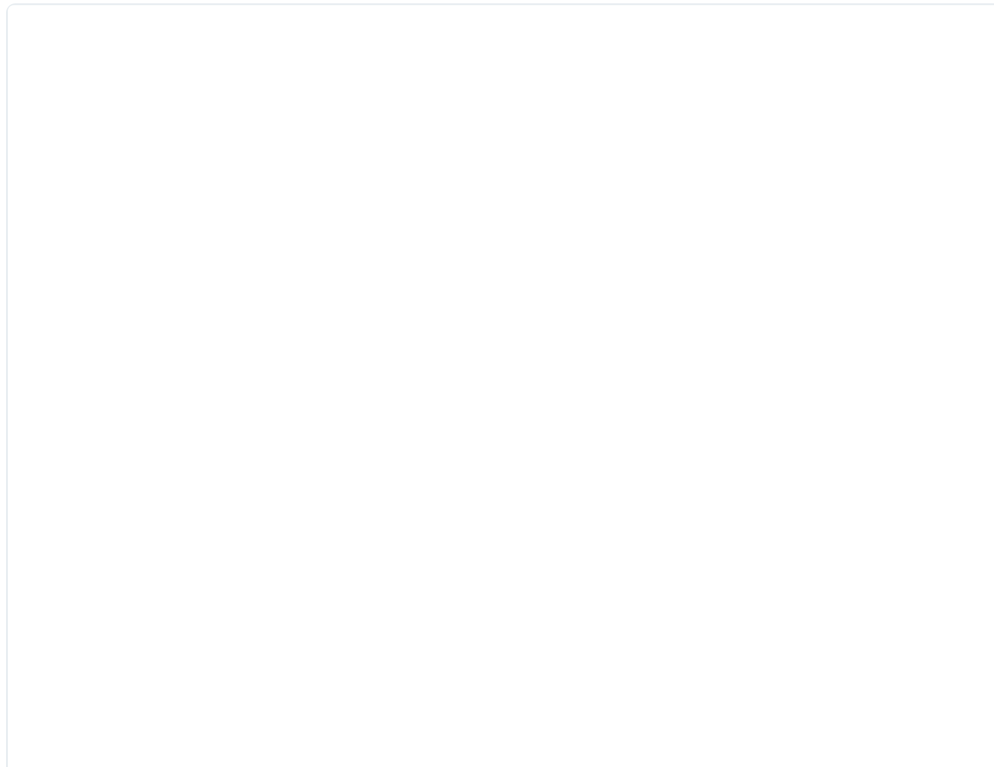
Even though residents are protected by a federal policy that caps their rents to 30 percent of their income, the influx of development around them has long fueled a sense that they will be pushed out from their homes.

“I truly believe in my heart they will bring the rent up,” said Amelia Martinez, 60, who has lived in the Fulton Houses for four years. “I don’t trust a private landlord. Nycha should manage our buildings.”

She added: “I feel like I live in Europe. I like galleries. I like museums. This is perfect. If I leave, it’ll be torture.”

Housing officials met with a group of tenants in early March, but the demolition plan was not discussed. The next week, City Hall shared the plan with elected officials whose districts include the Fulton Houses, which are on Ninth Avenue between 16th and 20th Streets.

On Monday night, those officials — Representative Jerrold Nadler, State Senator Brad Hoylman, Assemblyman Richard Gottfried, City Council Speaker Corey Johnson and Gale Brewer, the borough president — called for transparency and resident input in a letter to Nycha.





April 22, 2019

Kathryn Garcia
Interim Chair & Chief Executive Officer



(((Rep. Nadler)))
@RepJerryNadler

There's no way around it, NYCHA needs money. Today I led the officials representing Fulton Houses in making clear we will not accept a plan that is made without resident input, or that does not protect the Fulton Houses community for generations to come.

314 8:27 PM - Apr 22, 2019 · Manhattan, NY

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Under the proposal, one new residential tower would be built on a parking lot in the complex, according to two people briefed on the matter. Then residents from 72 units at two of the development's smaller buildings would be moved to that new tower and continue to pay subsidized rents.

The two small buildings would be demolished, paving the way for two additional mixed-income towers.

Under the city's tentative plan, one tower would be 14 stories high and have 269 units; another would have 25 stories and 153 units; and the highest one would have 28 stories and 265 units, according to details shared with The Times.

Nycha would retain ownership of the land, but lease it to the developer.



The Fulton Houses and the neighboring Chelsea-Elliott development need \$344 million in repairs, but the New York City Housing Authority is severely underfunded. Andrew Seng for The New York Times

Mr. Acevedo, the resident association president, said the city's plan would likely face resistance, but as long as the city honored its commitments, it was likely a viable alternative to "maintain the infrastructure at Fulton Houses for another 50 years."

Asked if this was a model that the city could replicate at other developments, Ms. Garcia said, "I would only say that if it works and we can do new construction ahead of demolition. It's not always the case. We don't always have underutilized land, but that would be the paragon."

The money generated from the three new towers would be used to simultaneously repair the other nine buildings in the Fulton Houses and the neighboring Chelsea-Elliott housing development. About 3,000 people live in the two housing projects, which are facing a combined \$344 million in repairs, or about \$166,000 per unit.

The city is also considering handing over the day-to-day management of both the Fulton and Chelsea-Elliott sites to a private partner who would invest to renovate the buildings, officials said. Those plans are part of New York City's goal to convert about 60,000 apartments — or one-third of its public housing stock — to Section 8 through public-private partnerships.

Ms. Garcia said residents' concerns about displacement were understandable given the turbulent history of public housing in other cities, where families moved off site, sometimes never to return.

"I heard my neighbors talking about it, and I was worried," said Jennifer Beeks, 36, a security guard at a homeless shelter, said of the proposal.

Ms. Beeks, a mother of three, said her worst fear was to end up at the shelter where she works.

"I haven't told my children about the building plans," she said. "I don't want to stress them yet. We love it here."

Jeffery C. Mays and Edgar Sandoval contributed reporting.

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