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To save the projects, think big

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Last week, with little fanfare, the Housing Authority did something bold. It announced plans to lease 17 NYCHA tenements in East Harlem to a pair of real estate developers - one of them a for-profit company - to create 339 units of subsidized housing.

Let the record show that NYCHA's baby step in the direction of turning over property to the private sector did not trigger the Apocalypse. The earth did not crack open, birds did not fall from the sky and the sun rose in the East the next day.

On the contrary: The authority deserves praise for taking action to help close a chronic financial gap that leaves the agency short of $200 million every year.

NYCHA has already slashed its staff to the bone, canceled security contracts, reduced maintenance and diverted capital dollars to its operations budget. Rather than continue to chop services, leaders should keep looking for creative ways to rescue the agency's 409,000 residents - about 5% of the city's population - from broken elevators, dirty buildings and inadequate security.

That will prove harder than it should be.

Anything that sounds like selling, leasing or mortgaging public housing triggers a political backlash. With public housing at a crossroads, such knee-jerk reactions are adding to the crisis.

I recently moderated a panel on NYCHA's fiscal crisis at the New School's Center for New York City Affairs in which Sean Moss, the regional administrator of HUD, ruffled feathers by suggesting that NYCHA "create partnerships, or syndicate, or even sell those assets, so that you can create more housing."

A rumble went through the audience, which included many public housing residents. A few days later, Assemblyman Keith Wright of Harlem - who was supposed to be on the panel but had to be in Albany that morning - called for Moss to be fired.

"To privatize just one building in our community would be entirely destructive to both our culture and our neighborhood; the mere suggestion of such has sent shock waves through the Harlem community," Wright wrote to HUD Secretary Alphonso Jackson.

I admire Wright's passion, but he's wrong on this one. With NYCHA nearing fiscal collapse, it would be irresponsible of the agency *not* to seek ways to leverage the tremendous value of its properties.

There are crumbling NYCHA developments in every hot neighborhood in the city, including the lower East Side, West Harlem, downtown Brooklyn and the Queens waterfront. NYCHA should sell the air rights above these places to developers.

The still-evolving deal in East Harlem - on 100th, 102nd and 103rd Sts. between First and Second Aves. - is a model of how to boost NYCHA revenue without abandoning the agency's mission of providing affordable housing.

NYCHA plans to lease the buildings and properties to Phipps Houses, a nonprofit developer, and the Urban Builders Collaborative, a for-profit company.

At least 300 of the units being created on the site will be permanently subsidized for households earning up to $42,540 for a family of four or $29,760 for a single person. The remaining units will go to families making up to $70,900 for a family of four or $49,600 for a single person. NYCHA, in turn, will get lease payments from the developers; the exact amount is still being negotiated.

We need many more such deals. The city's great real estate minds and finance wizards should figure out how to give developers and investors tax credits and other incentives in exchange for repairing and maintaining NYCHA housing. Retail stores and restaurants should be encouraged to build and lease space in the developments to generate income for the agency and provide jobs and amenities to residents.

All that, and more, is possible - but only if supporters of the NYCHA replace fear of the unknown with confident creativity and start thinking outside the box.

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