

The Last Supper at Gracie Mansion: A Fable

by Seymour B. Durst

In 1991 BIG MAC VI was at the Mayor's house celebrating the balancing of the budget — a triumph of planned shrinkage and courageous attrition.

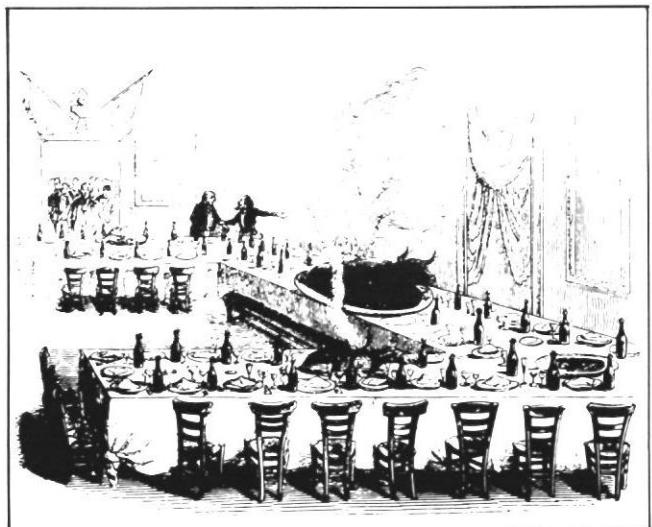
As usual, many celebrations were taking place that night. In another wing of the mansion, a Deputy Mayor celebrated the new freedom for children; the last school had been closed.

The Commissioner of Housing Preservation and Demolition led a celebration of a new housing strategy: house pooling, an adaptation of the 1980 car-pooling plan under which single-occupant cars had been banned from city bridges. The house pooling plan provided that single-occupant dwelling users double up, either through selection of partners by planning sociologists or by drawing lots. The sociologists pointed out that loneliness would be eliminated under this plan. A principal reason for the housing shortage was the accelerating spread of housing abandonment in the other boroughs, after the Bronx had been abandoned a few years earlier.

Pursued to the river's edge by many thousands of their irate, repossessed housing tenants, the members of the City Council escaped into exile in

New Jersey. Their names were then inscribed on the attrition rolls.

The newly-established volunteer fire laddies were celebrating in another wing of the mansion, having won permission to pull their old fire-fighting equipment over the unused subway tracks.



Potholes made dragging the equipment through the streets extremely difficult and caused the loss of much of Brooklyn.

BIG MAC pointed to its major budget-cutting achievement: the saving of the entire Police Department appropriation, once the National Guard was called in to declare a curfew. The BIG MAC revelers recounted how they had enabled the city to return to the credit market with a high bond rating after eliminating all expenses except bond interest and Board of Estimate salaries. "Here's to

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Generally Accepted Accounting Principles," chortled the members of BIC MAC as they raised their glasses of water that had been bottled.

Need To Reverse Decline Of Cities

The foregoing scenario may prove to be more reality than spoof if we continue to rely only on budgetary restraint and good accounting to cope with overall urban regression.

The urgent need for New York and the other older cities is restoration of their income-producing potential to reverse their steady economic decline. Correction of the long-standing, anti-urban economic bias is imperative. Federal guarantees and advanced management techniques cannot stem the tide for long. Nor can we continue to rely on inflationary federal aid financed by soaring deficits and printing press dollars.

Real solution and the essential recovery of the older cities require the will to make fundamental changes, to go back to basics in our thinking. Here are some thoughts:

- Cities are not dying; they are being killed. The underlying urban trend from crises toward chaos is not their natural destiny, but results from governmental malpractice of long-standing.
- The problems of our sinking cities will not just go away and the nation cannot just ignore them, try as it may. The rest of the country is moored to the older cities and will capsize with them.
- Cities are overtaxed and under-housed. The excessive taxes of the central cities propel high income families and large segments of their economies across artificial political boundaries and into the surrounding regions.
- Rental housing, an essential ingredient for the survival of the older cities, faces enormous tax bias both in Washington and locally, while elected officials at all levels of government vie with each other to undermine such housing and prevent its replacement.
- Cities were built because they attracted investment. Now they must be rebuilt. But to be rebuilt, they must once again be made safe for investment.
- Congressional leaders and local legislators are quick to protest that reversals of governmental misdirections are not politically possible. Continuation of the pervasive urban decline will make our governmental system no longer politically possible.

Specific Steps To Urban Future

There is great interest in historic preservation of the past, and certainly in improving conditions in

the present. But most important, and lacking, is a constituency for an urban future.

As requested, I will go from the general to a few specifics. The specifics are known, but what is lacking is the will and consensus to do them.

- *Equitable income tax treatment for housing renters versus house and condominium owners* must be enacted in the Federal tax laws to permit any meaningful amount of residential housing to be developed in urban areas and to reduce the heavy bias against rental housing. This is especially essential because of today's inflation-swollen income tax brackets and two-income families. Higher income families cannot afford to live in rental housing.
- *Federal housing subsidies* must be completely redirected toward the single purpose of expanding the urban housing supply, if low income families are ever to obtain decent housing in central cities. Existing housing programs are only political gestures. They cannot accomplish any of their avowed purposes. Attempting, as has been done for the past 40 years, to finance the lowest income families in the highest cost housing cannot solve any housing problems, only reelection problems. Only thin subsidy programs should be enacted, directed toward creating an adequate housing supply for the entire population. It should be obvious — but apparently isn't — that if 20 percent of the housing in older cities is terrible, 20 percent of the families will be living in terrible housing.
- A thousand dollar annual rent supplement per unit to assist a higher income family to pay for housing that would not otherwise be built will produce eight times as much housing volume as an \$8,000 annual subsidy that is required for 40 years under the demented Federal Section 8 program.
- *A plethora of major housing constraints exists locally.* Oversized manufacturing zoning districts prohibit residential development, waiting for long-gone manufacturing firms to return. The same procedure occurred when decayed piers were protected for 20 years while waiting for the ships to return. Fortunately, New York City did not try to preserve its agricultural lands. Assemblage and possession roadblocks intimidate any would-be residential builders and, of course, political control of rentals continues to destroy existing housing, just as political control of the price of any product will drive it from the marketplace. And finally, how can the urban cores be financially supported in the future? Only by regional taxation of the surrounding areas that they serve.