



# NEW YORK NEXT

## Looking Ahead to 2013

### WHY 2013?

Our junior senator may be departing for Washington to become secretary of state and the head of the New York Federal Reserve joining her as the new secretary of the treasury, but that does not mean the challenges facing the city and state are anything less than deeply serious. The implosion of

Wall Street alone will mean the end of thousands more financial-sector jobs—and thousands more on top of those from ancillary fields. At the geographic and economic epicenter of the global financial crisis, New York's future in the immediate and long term will be shaken in ways that the rollicking stock market over the past few months has only begun to make clear.

The city budget is dipping into the red. The state budget is well into freefall. Services will be cut while the need for them expands. All New Yorkers will feel the ripple effect, whether they are living in suddenly foreclosed homes, watching slower revenues stack up at their businesses or staring down at bills that simply cannot be paid. Overall quality of life in New York is threatened at the same time that individual quality of life for every New Yorker is as well.

New York has faced tough times before, emerging out of each stronger and more robust. But while trying to predict how the current situation will alter the course of the city long-term may be impossible, looking into the immediate future is not. Within five years—if not before—the world and the city will be headed toward at least partial economic recovery. Within five years, the policies being discussed and put in place today will have either begun to work or failed. Within five years, whoever wins the 2009 races for mayor and other city offices on promises of improving New Yorkers' lives will be at the end of their terms, with records that can then be readily evaluated.

**Within five years, we will find out where New York goes next.**



# Those Who Predict New York's Future Are Bound to Be Wrong

BY DAVID REID

IT'S A MUG'S game, but confronted with the sheer physical and world-historical fact of New York City, everyone from the jumped-up developers to politicians, sociologists, journalists, novelists, filmmakers, architects and poets have been tempted to play the prophet. With all that has come before, what can possibly come next?

As William Carlos Williams, watching from across the river in Paterson, N.J., slyly confessed in the 1930s:

*For years I've been tormented by  
that miracle, the buildings all lit up  
unable to say anything much to the  
point  
though it is the major sight  
of this region.*

The problem with prophecy, especially about a place as bustling and dynamic as New York, is that the prophets rarely hit the target, or even come close.

Right next to the city that actually is sits the even more grandiose and weird city that never was, its streets littered with failed prophecy: all the huge schemes never realized, the alternate futures that never arrived, the follies avoided, the radioactive dooms thus far averted.

In the New York that might have been, banker Otto Kahn actually succeeded in building the new Metropolitan Opera House of his dreams in 1926. In turn, Rockefeller Center, whose original raison d'être was the opera house, never would have been built. Instead of Times Square, the commercial and entertainment hub of Manhattan is Hearst Square, formerly Columbus Circle, just as William Randolph Hearst and his partner Arthur Brisbane planned in the 1920s.

The East River between 42nd and 48th streets boasts the grandeur of Zeckendorf City. This vast skyscraper ensemble was built just after World War II by the master developer William Zeckendorf, who

shrewdly bought up the lots then occupied by slaughterhouses (in those days, First Avenue was known as Blood Alley). In this alternate world, Nelson Rockefeller never did manage to persuade his billionaire father to buy the property from Zeckendorf and donate it as a site for the United Nations Headquarters, but in the end John D. Rockefeller, Jr. balked at the \$8.5 million price tag. So Zeckendorf reverted to the immense plans his architect Wallace K. Harrison had already drawn up for what was provisionally called X City. (Rebuffed, the UN moved its headquarters from Flushing Meadows to Philadelphia, which started calling itself "the capital city of the world.")

Stop off in the New York that might have been in Central Park to watch the jousting matches between teenage boys, which Mayor Norman Mailer (Governor Mailer after his successful drive to make New York City the 51st state) prescribed back in the turbulent 1960s as a cure for juvenile delinquency. Of course, in this town of the imagination,

NEW YORK NEXT

the mile-high apex of Buckminster Fuller's gigantic geodesic dome can be seen from anywhere in midtown. In the city that might have been, Fuller succeeded in petitioning the city to let him build his architectural wonder in the midst of that same giddy moment of the '60s.

In the New York once predicted, Ellis Island is a great tourist attraction, but not for the Romanesque "castle" through which the huddled masses once passed. An unsentimental city sold the ruins to a pair of real estate speculators who tore them down and, in 1959, hired the 92-year-old Frank Lloyd Wright to design "The Key," a fantastic dream city featuring such marvels as a spherical nightclub and a futuristic yacht harbor.

It was the old maestro's last commission, and he lived only long enough to pencil a few sketches, but his vision was profitably realized.

One could go on adding to the imaginary

cityscape for days. Superimpose, for example, Robert Moses' Mid-Manhattan Expressway, originally proposed in 1946, which would have destroyed SoHo, tearing from the Hudson through to the East River and passing through the Empire State Building at the sixth floor. Instead of the Twin Towers or the Freedom Tower, stick Antonio Gaudi's thousand-foot-tall 1908 Grand Hotel at the southwest edge of Manhattan.

But though the skyline may be impossible to predict, the general feeling of New York has been somewhat easier to see—or at least was for Thyra Samter Winslow, who published the classic story *A Cycle of Manhattan* in 1919, telling the story of the Rosenheimer clan, who progress by stages from a hovel on MacDougal Street to Riverside Drive, then Park Avenue and the East '60s, only to be led back, a prosperous generation later, to their original rooms above a stable by an artist grandson who condescendingly introduces them to a "real" neighborhood.

Meanwhile, the turbulence on Wall Street has people pulling out the erasers for their sketchbooks once again, revising what was certain just a year or two ago. "Brooklyn (like it or not) will get a shimmering Frank Gehry Crown," *New York* magazine headlined in its "New York in 2016" issue in 2006. Now the opponents of Bruce Ratner's \$4-billion Atlantic Yards project are ecstatically declaring it dead. Gehry's original 600-foot Constructivist Slinky design for the "Miss Brooklyn" has been abandoned, and now belongs to the imaginary city along with Gaudi's

tower and Philip Johnson's various plans for Times Square proposed during the 1980s—including the one with four mansard-roofed skyscrapers.

As for prophecy: when Norman Mailer actually was running for mayor in 1969, he ventured, as reported by the Times: "The only way to end smog is for the citizens to get muskets, get on barges, go to Jersey and explode all the factories." That didn't turn out to be necessary. The more New York changes, the more it remains, as Walter Winchell used to say, New Yorky. **CH** [davidgreid@earthlink.net](mailto:davidgreid@earthlink.net)

*David Reid's next book, The Brazen Age: New York City and the American Empire in the 1940s will be published by Pantheon. He lives in Berkeley, CA.*



## Looking at the City's Future Through the Eyes of City Futurists

BY PATRICK TUCKER

WHAT IS THE future of New York? Ask a futurist. In times of uncertainty, the stock of the futurist, the man or woman willing to traffic in worst- and best-case scenarios, tends to rise.

The futurist's job is not magic. We look at the trends other people ignore, explore how the unknown might play upon the known, and from these observations create pictures of possible outcomes. While some in the popular press would have you believe that the financial crisis has turned New York into a veritable Chernobyl, spewing toxic assets in a massive—and surely fatal—hemorrhage, the city that never sleeps does indeed have a future, a bright one, if her people choose. Businesses, governments, artists and scientists are creating this new future right now.

So what does the Big Apple look like in five years? In 20? I asked several New York-based members of the World Future Society: Arnold Brown of the firm Weiner, Edrich,

Brown, Inc.; Lisa Brown of the FutureThink consultancy; Michael Rogers, former *New York Times* futurist in residence; and Mike Treder, head of the Center for Responsible Nanotechnology. All agreed that the city has short-term, but absolutely surmountable, obstacles. And they had more than a few suggestions to help us reach the horizon we all want.

For decades, the Big Apple has served as a magnet for the idealistic, the eccentric, the creative—and most especially the young. Artists and recent college graduates were willing to put themselves at economic disadvantage by working low-paying, unstable jobs in galleries, publishing houses, studios and theatres in an increasingly expensive city. They did this in order to be part of a broader cultural phenomenon that is the American publishing business, the SOHO art scene, Broadway and even Wall Street. Revitalizing New York's finances, cutting expenses in smart ways and marketing New York more aggressively abroad are the first and least challenging steps New York can undertake to secure its short-term

future. Remaining an attractive city to an ever more savvy, international and networked class of young people will be harder and much more important.

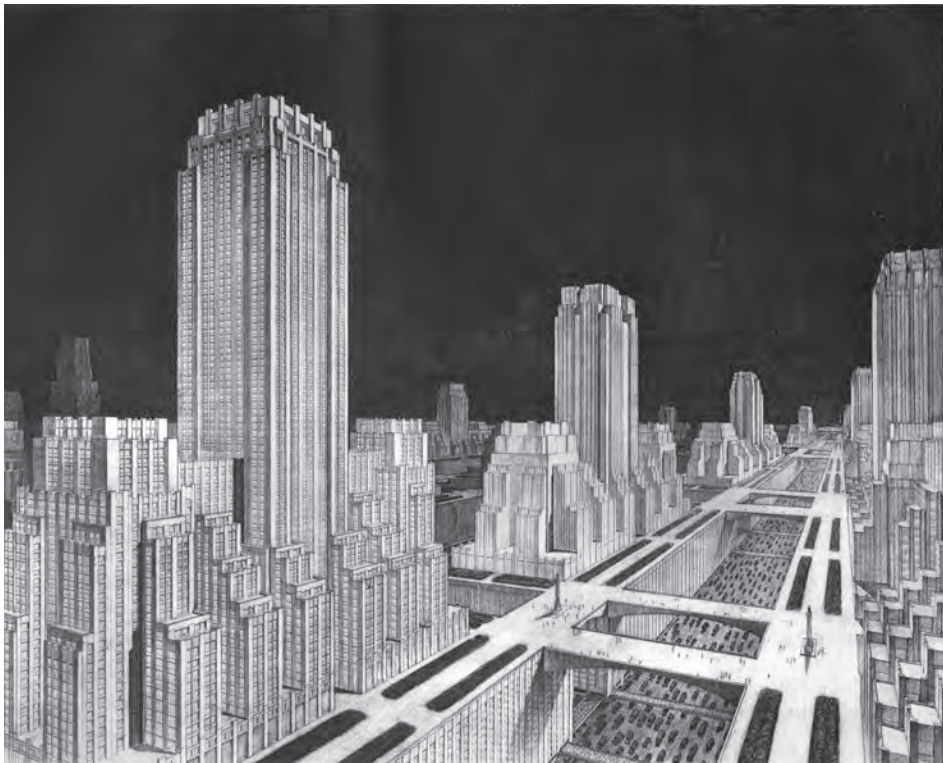
First, the easy part: there is some consensus among the futurists I spoke to that New York's biggest adjustment over the next five years will be the erosion of its status as the world's financial capital and a resulting drop in tax revenue. New York, gateway to the American consumer market, will still be among the world's top financial centers, but regional powerhouses like London, Hong Kong, Shanghai and Dubai, bolstered by the rise of sovereign wealth funds, will compete for cash and clients. The world, quite simply, is looking beyond Wall Street for financial advice, especially now that the city's reputation as the leading inventor of exotic investment products has proven to be so toxic.

To revitalize the city's finances, many futurists say that Mayor Bloomberg could embark on an ambitious greening of New

York—issuing incentives for retail stores and food service companies to give more back to their communities and encouraging new building that conforms to the highest standard of environmental design, as certified through the Leadership in Energy and Environmental Design (LEED). Unproductive rooftops could become solar or wind farms, which could boost the value of commercial real estate. To offset deficits, some tax increases will be necessary, but these too can be targeted to encourage sustainability. Garbage could be taxed by the size and occupancy of the buildings that produce it, which would prompt real estate owners to make less trash. Research grants to turn the city's waste into biofuels could lead to a reliable source of revenue, or at least partially offset the cost of services.

The city will continue to be a shopping and retail destination, futurists agree. Europeans, Asians and Latin Americans remain drawn to the city by the weak dollar





and could be creating an economic boom for the city for years to come if they become regular return visitors and buyers.

Beyond these ideas, and beyond the short-term revenue problems resulting from the shuttering of Wall Street, the city still faces a fundamental identity challenge that will affect its long-term future. Long after the fallout from AIG, Bear Sterns and Lehman Brothers has been written into Wikipedia, after the protestors have left the lower tip of the island and Mayor Bloomberg has at last abandoned City Hall, New York will still face perhaps the greatest challenge of its existence: reinventing Gotham for the new technological age.

Information technology and global broadband are creating a generation of gadget-hooked workers who put a low premium on face time. New York, with its astronomical rents, crowded subways and ever-more competitive atmosphere, may not appeal to future generations the way it did to Gen X. Many creative workers in New

Meanwhile, medium yearly income for a college grad has barely budged since 1974. The result: A college degree that's more expensive but doesn't result in a higher-paying position. That debt comes on top of having to pay for the public sector portion of their parents' retirement. By 2030, there will be three Americans of working age for every person over 65, compared with a ratio of five to one today, meaning Social Security and Medicare will become incredibly expensive.

Keep in mind, too, the city no longer serves the purpose for which people originally flocked to it. New York rose to prominence as a port town; it's a by-product of the era of transatlantic ocean-going vessels—just as Chicago rose to significance when commerce was dominated by rail; Los Angeles ascended during the reign of the automobile and passenger jet; just as the Internet and outsourcing have given us modern-day Shanghai. If New York remains a high-priced enclave of million-dollar studio apartments,

## New York, with its astronomical rents, crowded subways and ever-more competitive atmosphere, may not appeal to future generations the way it did to Gen X.

York City are there only because they must be physically next to their industries. If that need dissipates, the city must emphasize quality of life to retain its creative element.

The Millennial Generation is more likely to have traveled abroad than young people in decades past, and they are more inclined to believe they'll spend at least part of their adult life in another country. Also, life is a lot more expensive for young people today than it was when the baby boomers were just starting out. In the past few years, several books have emerged to document the mounting financial challenges for today's recent grads. Economist Tamara Draut, author of *Strapped: Why America's 20- and 30-Somethings Can't Get Ahead* points out that the average debt for a college student in the U.S. is \$19,000 in loans, up from \$12,000 a decade ago. The medium consumer debt for 25-to-34-year olds is \$12,000, or three times what it was 20 years ago, due in large part to deregulation in the credit industry.

velvet-roped parties, high taxation but no industry, it will lose these creative-class workers to rising world capitals.

Given these challenges in both the short and long term, one might reach the conclusion that New York—as a city, as a lifestyle, as an ethos—is unsustainable. But this pessimism ignores history. The city first named by the English Duke of York and Albany has survived gangs of rioters during the Civil War, the reign of the robber barons, the Great Fire of 1835, the crash of 1929, and reemerged stronger and prouder after the worst incident of terrorism in the history of the United States. The future presents obstacles, opportunities and challenges. But the city of LaGuardia is not going to be done in by bad loans or broadband. It's just going to have to change. And no place does that better. **CH**

*Patrick Tucker is senior editor of THE FUTURIST magazine and director of communications for the World Future Society. Learn more at [www.wfs.org](http://www.wfs.org).*

# A New Deal for New Yorkers

## A Plan for Good Jobs and a Better City

By Mike Fishman,  
32BJ President

After years of stretching their budgets to cover basic expenses, New York City's working families are at the breaking point. Despite long hours and multiple jobs, too many hard working men and women still find themselves struggling to pay the bills, take their kids to the doctor and put aside a few dollars for holiday gifts. In fact, more than three million New Yorkers are trying to make ends meet on low incomes.

There has never been a greater need for making the most of our tax dollars and promoting smart economic development. New York City must put forward new policies that will help get working families through these tough times.

To start, tax money spent on City development and public contracting should create good jobs that come with family-sustaining wages and health care benefits. A City-wide policy mirroring the requirements at Willets Point and Hunters Point, which set wage and benefit standards for new jobs, would ensure developers cannot make their money off City-funded projects without providing the good jobs New Yorkers desperately need.

Creating a green, sustainable New York City will also provide a long-term investment in our City's future. With existing buildings projected to contribute more than 85 percent of the City's carbon emissions and energy usage by 2030, mandating green retrofitting as well as requiring new developments to follow environmental standards is a win-win solution. We should create good new jobs in this growing industry, while reducing wasteful energy usage and helping the environment.



Creating a livable City for working families will help New York thrive again. Mandating inclusionary zoning in housing developments will ensure working New Yorkers can find affordable apartments without leaving the City, and improving transportation service will help New Yorkers get to work. Increasing child care and pre-K programs will help give our kids a head start and give parents the opportunity to hold onto steady jobs.

Good jobs are the foundation for healthy families and communities, and without the wages and benefits their families need, many New Yorkers remain on unsteady ground. New York City can turn this economic crisis into an opportunity by redefining the City's economic development agenda, investing in the future – and giving New Yorkers a New Deal. Creating good jobs and making our City prosperous for all is a winning way to get through these tough times and provide the framework for a healthy future.

*Representing more than 70,000 property service workers in New York City, 32BJ is the largest private sector union in New York.*





# In New York-London Battle, a Winner Is No Longer Clear

BY SAL GENTILE

**L**AST YEAR, LONDON and New York each brandished dueling studies demonstrating its status as the world financial capital.

The Big Apple's, produced by the Partnership for New York City, showed Gotham leading in financial clout, transportation and cultural diversions.

London's, produced by Z/Yen, a London-based consulting firm, showed that the British had looser financial regulations and were better positioned to grow in the years to come.

Strength in the present versus potential for the future. The race to be the 21st-century global center was closely contested.

But now with the economy in turmoil on both sides of the Atlantic, experts here and in England agree that the question may well be answered in large part by how each town manages the fiscal crisis in the next few years.

New Yorkers like Partnership president Kathryn Wylde remain optimistic, while urging the city to attend to some looming problems.

"We're long-term confident in New York, but short-term there are some big challenges that, if we don't address, we are in danger of losing our stature as a center," Wylde said.

The Partnership's 2007 report (an update will be issued at the end of this year) divided its analysis into eight separate categories. New York won in three, London in one. The remaining four were won by other cities around the world.

But the areas in which New York dominated have proven particularly vulnerable to fluctuations in the world markets, even as other cities' chief attributes—like London's top ranking in intellectual capital—leave them better positioned going forward.

And New York's top ranking in transportation may also seem downright anachronistic given the dire financial state of the Metropolitan Transportation Authority (MTA) and the potential for substantial service cutbacks and fare hikes. And if the state is forced to downscale some of MTA's upcoming mega-projects aimed at improving the city's transportation infrastructure, such as the Second Avenue Subway project or East Side Access, things could look especially bleak.

But both New York and London are down on their heels at the moment, with nervous backers of each wondering how smoothly and swiftly governments in both places react to changing economic circumstances.

The cash flow has slowed, and the flow of credit from one pocket of the global market to the next has been arrested by the collapse of banks. And the regulatory framework through which that credit flows is likely to tighten dramatically in the coming months.

But regardless of what regulatory changes are made, the things that London leads in, like intellectual capital and technological innovation, will likely become only more important indicators of economic success.

"It is not the institutional base, but rather it is the intellectual capital, and being positioned to be the first to develop and apply new technology" that will be important in the long term, Wylde said.

Meanwhile, it seems all but certain that



SCOTT WILLIAMS

the city's other global competitors will begin to catch up.

Mark Yeandle, an analyst with Z/Yen, a

London consulting firm that produced the city's rival 2007 report on the New York-London competition, said the race between

the world's two global centers would likely remain stagnant in the next few years, while their emerging competitors gain ground.

"Overall, I don't think the current crisis will radically alter the competitiveness of London and New York over the long term," he said. "I do think that other financial centers—such as Singapore and Hong Kong, and places like Dubai in the medium term—are likely to close the gap."

Many of the new and untested financial instruments that fueled risky but high-yield growth, such as credit-default swaps and other mortgage-backed derivatives, snowballed in New York and London. As investors in those cities continue to reel, their emerging competitors have not suffered wounds nearly as deep.

So Yeandle and Wylde agree that Washington and Westminster should provide the needed capital to unfreeze the financial markets and fund infrastructure projects. But they echoed an argument that has been advanced by investors and business leaders in both London and New York: give us the money, and then stay out of the way.

"The underlying dynamics of competitiveness will not be altered greatly," Yeandle warned, "unless the regulatory authorities in either center implement a knee-jerk regulatory reaction that has unintended consequences."

**CH**  
sgentile@cityhallnews.com

## NEW YORK **NEXT** ► Crime/Homeland Security

# Worries of Crime Increase Abound As Thin Blue Line Goes Into the Red

BY BENJAMIN SARLIN

**L**AST YEAR, THERE were 496 murders in New York City, down from a peak of 2,262 murders 18 years ago—a drop which in itself tells the story of the transformation of the City of Fear into the safest big city in the country.

Now with the police facing budget cuts of \$95 million this year and \$192 million next year, the economic boom that changed the city and the increased revenues that paid for the new policing tactics, which helped make the crime drop happen, are gone—and confidence that crime will remain low seems to have gone with them. While Police Commissioner Ray Kelly has said that he believes that crime is not necessarily linked to difficult economic times, a recent NY1 poll had 15 percent of New Yorkers citing the possibility of higher crime as their biggest concern about the economic downturn, ranking behind only education cuts (22 percent) and increased homelessness (16 percent).

At the heart of the question of what New Yorkers should expect is ongoing confusion

over what exactly was responsible for the original decline in crime.

"I still consider it something of a mystery," said James Lardner, a former Washington, D.C., police officer and co-author of *NYPD: A City and Its Police*. "The Giuliani administration and Bill Bratton are proud of what they did, but they never fully explained why other cities saw similar declines in crime—though New York's was unusually steep and early."

To Kelly and other officials involved in the years of dropping statistics, better policing was the key. The NYPD boosted its numbers to a peak of about 40,000 officers in 2000, up from about 33,800 in 1991, and employed innovative strategies in crime fighting like improved community policing, increasing arrests for quality-of-life crimes and using new technology to track which neighborhoods needed resources the most. Others cite cultural factors as crucial in the city's turnaround—the end of the crack epidemic, for example, or kids being scared straight by the older generation's criminal downfall.

Some criminologists and economists, however, attribute the gains in large part to low unemployment and rising wages. If this is true, the city is likely to suffer from an uptick in crime during the coming years.

Bruce Weinberg, an economics professor at Ohio State University, said that while better policing tactics may have contributed to crime reductions, New York will not be immune to new increases as unemployment rises.

"If you take someone who might have a heart attack and tell him to watch what he eats, it's going to help—but it doesn't prevent heart attacks entirely," Weinberg said, "and when the guy is under a lot of stress, his probability of having a heart attack will still go up."

Some of those who attribute the lack of crime to non-economic factors do warn, however, that the city must be careful not to squander the gains by cutting budgets.

"I don't think there's necessarily a direct correlation between the economic downturn and people engaging in criminal activity," said Richard Aborn, a former president of the Citizen's Crime Commission who is



# Facing Money Shortages, New Generation of Nonprofit Leaders Look to New Strategies

BY DAN RIVOLI

**I**N THE '60S and '70s, baby boomers founded the first major wave of nonprofits, and went on to dominate the sector for decades.

But a generation later, boomers are retiring in droves or leaving the sector in search of more lucrative, less stressful jobs. Nowhere will this be felt more acutely than New York—70 percent of nonprofits in the metropolitan area anticipate an executive turnover by 2013.

Increasingly, the field is in the hands of leaders who are younger, more diversified in race and gender and arriving on the jobs with an array of tailored knowledge thanks to the rise of master's programs tailored to nonprofit management. That will mean more and more big changes in these organizations and how they provide services.

"The whole notion of telecommuting, the virtual office and online case management; you got the Millennials who can step right up to the plate, who are very comfortable in that world," said Gordon Campbell, president and CEO of United Way New York City.

In the five years since becoming executive director of the Drum Major Institute, 31-year-old Andrea Batista Schlesinger has transformed the think tank—a relic of the civil rights movement which was re-launched in 1999—into a progressive policy leader.

As the executive director, Batista Schlesinger quickly harnessed the Internet to build the organization's brand. She pushed for a greater investment in an interactive website, which is now armed with two blogs, online videos that use storytelling to advance policy and online advertising that reaches a national audience. The strategy is reflective



Bowery coffee line

1908

of Batista Schlesinger's motto: "If it wasn't read, it wasn't written."

"It's a combination of trying to keep up with what's there and be one step ahead," she said.

Forward-thinking executive directors like Batista Schlesinger are using new technology as a means to stay relevant as well as financially solvent. New fundraising sources and more interaction with clientele are necessary in a slow economy with tax dollars doled out more carefully in the new processes enacted since the City Council's slush fund scandal in the spring.

With traditional revenue streams dried

up, Batista Schlesinger said that the days of relying on a few wealthy benefactors are over. Perhaps, she said, numerous individual donations will be a necessary component to raising funds, even working with other nonprofits to build a base of small-dollar donors. "New York is the lab where this stuff plays out," Batista Schlesinger said.

In the economic downturn, however, nonprofit executives are looking for opportunities to consolidate in order to run efficiently.

Integration throughout the sector will eventually help nonprofits weather the economic crisis, according to Campbell,

the president and CEO of United Way New York City.

At a time when the fiscal mess is hitting everybody, nonprofits need to "wrap their arms around their mission" and have a "laser focus" on providing service without worrying about burdensome administrative problems, Campbell argued. That, he said, can be solved by mergers with larger organizations which can bring benefits without significant risk of reduction in services.

"Large groups would take over administration. Small grassroots groups don't lose the feel of the neighborhood," Campbell said.

With a shortage of money to donate to nonprofits, large private corporations have been a valuable asset, donating volunteer time even when money has been short. Campbell recalled corporate volunteers, along with the United Way, assisting families prepare tax returns to receive the Earned Income Tax Credit. The corporate volunteers offered advice to families in need of a financial plan.

"Particularly during these challenging periods is an opportunity for people to give back," Campbell said. "There is a real desire."

The possible silver lining in this financial crisis is that state and local governments will rely on nonprofits to deliver crucial services at a time when the city and state are slashing budgets.

The more successful nonprofits over the coming years will be those which rely on data to deliver services more efficiently and emphasize results, according to Don Crocker, executive director and CEO of the Support Center for Nonprofit Management, a group dedicated to providing consulting, transition management and training services to nonprofits.

"There's an intentional and conscious use of data," Crocker said. "They're getting a lot of feedback from their clients and community and making decisions based on that."

Crocker said young nonprofit executive directors are more likely to collaborate with the private and public sector for funds, volunteering and shouldering administrative burdens.

"They talk about including both business and government as part of the work they do," Crocker said. "There's an entrepreneurial quality about them."

In the middle of the two worlds of nonprofits and private corporations is Scott Talbot, chairman of CharityChex. The company's merchant system will facilitate a partnership between retail businesses and nonprofits by creating a new system which would enable a retail company's customer to make a charitable donation as part of a purchase, much in the way one would leave the waiter a tip when paying with a credit card.

Talbot's strategy of catching potential donors in the middle of a separate financial transaction is a step outside of the current fundraising model of solicitation, a necessity for nonprofits to meet the demands of their customers and clients.

"There's more pressure put on charities to provide services that are being cut back," Talbot said. "Nonprofits have to think of unique and clever ways of providing their services."



David (the Beetle) Beadle

1939

wouldn't turn criminal under any circumstances," Kelling said.

Street crime is not the only concern facing the NYPD, of course. The threat of terrorism remains very much on officials' minds, and new preventative tactics are constantly being introduced. The city recently secured \$29 million in federal funding to add a new system of nuclear detectors around the metropolitan area, and has

already begun to implement a new camera system known as the "Ring of Steel" to track license plates. Federal funding for homeland security—the primary source for local anti-terrorism measures—is not likely to be reduced by the downturn, although politicians like Senator Charles Schumer (D) have long argued that the allocated money even in the best of times has been inadequate. How a Barack Obama administration may change the funding formulas that affect this and other city priorities remains to be seen.

However, Tim Connors, a partner at security firm PJ Sage, said that the NYPD's counterterrorism efforts are susceptible to budget cuts in a worsening city economy due to the department's size, which makes

its training operations for dealing with terrorism expensive and difficult to coordinate. Less money for operations means fewer hours to put on payroll, which Connors described as having a ripple effect on training procedures.

"Any time you do an education or training event, you take people offline from being on the street," Connors said. "That is a vacuum that has to be filled with overtime and by putting other bodies in there."

To maximize resources, he recommended the police department focus on expanding its relationship with other police organizations to gather intelligence on foreign threats including not just terrorists, but drug smugglers and transnational gangs as well. The department currently has liaisons in several foreign cities working with local police.

But the main burden rests on the shoulders of New York's own police, which will be struggling to defend the hard-earned gains against crime as the city weathers what is expected to be one of its most difficult economic periods in decades. How they will do depends on that great unknown: the human factor.

"People always say the most unpredictable thing is human behavior," said Shaun Gabbidon, a criminologist at Penn State. "It's always somewhat unknown, especially in economic times that keep getting tougher and tougher."

CH

CH



# 13 Leaders Already

## Michael O'Laughlin

**Director, Campaign for New York's Future**

The failure of congestion pricing may have been a body blow to Mayor Bloomberg's PlaNYC, but the Campaign for New York's Future—a coalition of nonprofit and community organizations assembled to support the plan's goals—has not yet ground to a halt. If anything, Michael O'Laughlin, the Campaign's director, sees the city's recent financial troubles as an opportunity to crystallize the organization's message. "A lot of the things that the Campaign advocates for in terms of, let's say, expanded transit infrastructure, increasing energy efficiency—those are also exactly the kinds of investments you want to make when the economy starts to go down," he said.

## Carl Heastie

**Assembly Member,  
Bronx Democratic Chair**

Fresh off a court victory that installed him, Carl Heastie is the Bronx's new boss, and if he has his way, the city's poorest borough will look much different, and very quickly. Heastie also chairs the Assembly's redistricting committee, which will redraw the state's district lines after the 2010 Census, giving him a power to shape the state and city's political makeup for decades to come that he sees no reason to relinquish to a nonpartisan process. "The problem that I have with the so-called term of 'nonpartisan redistricting' is, I don't believe that there's a person that has any knowledge of politics that's non-partial," he said.

## Lenzie Harcum

**Vice President for Biosciences,  
Economic Development Corporation**

People come to scope out New York as a place to innovate and do business—and Lenzie Harcum's role as the vice president for biosciences at the Economic Development Corporation is, in part, to get them to stay. "We have all the raw elements in place," he said, "but certainly one thing that has prevented us from growing is a lack of commercial lab space." He will have his hands full over the next five years, as the Bloomberg administration hopes to ease those concerns by getting some major biotech developments—such as the Brooklyn Army Terminal and Phase I of the \$700 million East River Science Park—under way.

## Jennifer Jennings

**Education Blogger**

The administration's next major battle with Albany will be over mayoral control of schools—a topic that keeps Jennifer Jennings pretty busy. In addition to her graduate work on education at Columbia University's Department of Sociology, she keeps a regular blog on New York City schools at **Education Week**, known online as "eduwonkette." She takes the myriad statistics offered by the administration in support of its policies and tries to poke holes in the spin. "No one is really talking about teaching and learning," she said. "I think the model has become a model where we talk about identifying places that aren't doing well and cutting them out."

## Michael Hickey

**Executive Director, Center for  
New York City Neighborhoods**

The alphabet soup of nonprofits and community organizations can often be difficult to parse for homeowners under threat of foreclosure. And predatory lenders seem to lurk around every corner. So the Center for New York City Neighborhoods tries to make it easy, coordinating the activities of those groups, helping fund them and steering homeowners away from unregulated lenders. "The core part of our work is that interaction between a homeowner and their bank," said the Center's executive director, Michael Hickey, who just took over this summer. "How do we get in there and make that go as well as possible?"

## Edith Hsu-Chen

**Manhattan Director,  
Office of City Planning**

The political fireworks over the Bloomberg administration's development plans may go off at City Hall, but the actual blueprints get laid out in Edith Hsu-Chen's office. Hsu-Chen has been the Director of the Office of City Planning's Manhattan Office since September, overseeing growth in Manhattan as the economy continues to tumble. "We have to keep planning through this period, and we have to keep encouraging growth, affordable housing," she said. "Some of the most robust times of planning are when there is an economic downturn." The next five years, should keep her busy, with major rezonings planned for Northern TriBeCa and the Lower East Side.

## Hiram Monserrate

**State Senator-elect**

Love it or hate it, the Willets Point redevelopment proved by the City Council in November may well become a controversial development project, and will certainly be one of the city's most depressed neighborhoods. The area's next state senator, Hiram Monserrate, who will leave the Council in January to become the area's next state senator, "has set a new bar for what we can do. We can do major developments and set a pattern that we can do major developments and set a significant percentage of housing to working-class and poor New Yorkers." Personally, as the first Latino Council member from Queens and now first senator, Monserrate is positioning a community growing larger and more prominent.



# Shaping 2013

## Greg Floyd

### President, Teamsters Local 237

Greg Floyd's first conversation in May of last year with then-candidate Barack Obama was about public housing—fitting, since Floyd has become something of an expert on the issue. As president of the Teamsters Local 237, the largest in the nation, Floyd has many members who either live in, or work on, public housing projects. “He wanted to talk about his candidacy,” Floyd said of his conversation with the president-elect, “we wanted to talk about public housing.” Aside from playing a potential role in an Obama urban agenda, Floyd has been mentioned as a possible choice for the next president of the Central Labor Council.

## Jeff Zupan

### Senior Fellow for Transportation, Regional Plan Association

In addition to his work on three transportation “mega-projects”—the Second Avenue Subway, East Side Access and a new rail tunnel under the Hudson River—Jeff Zupan has been trying to get policymakers and transit officials to think creatively about ways to keep money for transportation projects flowing. “If there’s one thing that’s more important than anything else at the moment, it’s filling the gap that the MTA has,” he said. And then, of course, there are other projects, like a new initiative Zupan is planning to decrease congestion at the city’s airports. His proposals—from building new runways to cutting service—are likely to irritate plenty of people, he admits.

## Jan Gehl

### Urban Planner

If “Summer Streets” seemed like a foreign concept—no cars on Lafayette Street?—that is because New Yorkers have a foreigner, in part, to thank for it. Danish urban planner Jan Gehl has been consulting with the Department of Transportation since the fall of last year on how to make New York a more pedestrian-friendly city—think esplanades on Broadway and bike paths on 9th Ave. “I do think that New York has started to turn around toward a path that is much more people-friendly than the previous path,” he said. “We have become tired of having the totally auto-dependent cities.”

## Michael McMahon

### Representative-elect

“For what the political ramifications are, we’re going to have to just wait and see,” said Michael McMahon, reflecting on the meaning of his win as the first Democrat elected to Congress from Staten Island in decades. But the policy implications are clear: McMahon will be in the majority, which will help him get things done, especially in the form of transportation funding. “I think that that will be—for the nation and for New York and my district—very timely, because I think not only will there be a six-year transportation funding bill next year, most likely the new administration is going to make infrastructure investment very much a part of their long-term economic plan,” he said.

## Ronnie Lowenstein

### Director, Independent Budget Office

The barbs over the proposed budget cuts have already started to fly, with tense exchanges bubbling over in committee rooms and the Council’s and mayor’s respective budget directors mired in the back-and-forth—all of which makes the role of referee more crucial. As the director of the Independent Budget Office, Ronnie Lowenstein supplies independent information to policymakers while questioning the administration’s projections, such as when Bloomberg exaggerated the deficit during the term limits debate. “The city, ironically, releases reams of data, but the data is nearly incomprehensible unless you know what you’re looking for or how it works,” she said. “And for that reason, that makes people like us particularly useful.”

## Dina Levy

### Organizing and Policy Director, Urban Homesteading Assistance Board

The State Legislature may pass a bill in the next few years to give New York City more authority over its own rent laws, in which case Dina Levy’s portfolio is going to get very thick, very fast. Levy, the director of organizing and policy at the Urban Homesteading Assistance Board (UHAB), directs efforts to preserve distressed public housing projects and increase access to affordable housing. “Part of that,” she said, “is to sort of strengthen and reinvigorate the opportunities for city government to do things that are more proactive.”



# Downturn Could Leave New Housing Plans Out in the Cold

BY BENJAMIN SARLIN

**T**RAPPED BETWEEN A credit crunch, a foreclosure crisis and a deflating real estate market, city efforts to expand public and affordable housing have been thrown into flux by the economic downturn.

At the center of the city's housing policy is the Bloomberg administration's \$7.5 billion plan to add 165,000 units of new or rehabilitated affordable housing stock to the city by 2013. This fall, city officials celebrated reaching the completion of 82,500 units—half-way to their goal.

Completing the other half, however, may not be so easy. The plan relies heavily on financing from the very banks and institutions that have been most affected by the Wall Street crisis, and with financial institutions racked by liquidity issues keeping a tight hold on credit and scuttling affordable housing proposals throughout the city, big question marks have been scattered all over the administration's projections.

Already, people are feeling the effects.

Michelle Neugebauer, executive director of the Cypress Hills Local Development Corporation, said that her nonprofit recently lost a lender for a mixed-income development in East New York that would have included 23 condominiums and nine small homes, even though all the pieces have been in place for months.

"We can't get the construction financing," she said. "These are projects where we have site control of city-owned land, projects where we've sunk a lot of money in, and we have no more financing."

The New York City Housing Development Corporation has held off for weeks on plans to issue \$45 million in bonds for a 182-unit mixed-income housing development on 124th Street in Harlem due to skyrocketing interest rates caused by investors pulling out of the stock market. The rates have since stabilized somewhat and the corporation president, Marc Jahr, says he expects the project to go forward. But overall, development plans have become touch-and-go for HDC in the unstable economy.

"It's a complex kind of situation because you have a lot of moving parts," Jahr said, "I think this is kind of a period where we take it one step at a time."

According to some observers, with one million more people expected in the city by 2030, the failure of official efforts to provide enough affordable housing could lead to an underground market to fill the void: landlords out to stretch their profits could convert property into illegal single-room occupancy hotels and multi-family tenements. The 60-percent jump in foreclosures citywide this year that is pushing thousands of families from their homes will only increase the stock of abandoned property which could be put to this use.

Officials are taking steps to try to either keep families in their homes during the new wave of foreclosures, or quickly sell the property to a responsible owner if they have to leave.



Row of tenements, 260 to 268 Elizabeth St., N.Y.

1912

Despite the difficulties in securing financing for new construction, experts say that New Yorkers might see some benefits from the economic downturn in terms of making housing in general more affordable.

"There certainly are going to be challenges in the coming years in getting affordable

housing built, not the least of which is the availability of credit," said Ingrid Gould Ellen, a professor of urban policy at New York University. "The silver lining is that when housing prices fall, it's a bit cheaper to acquire properties you want to develop and turn into affordable housing."

While plans to expand affordable

housing may still be viable, public housing in the city faces more urgent problems. Chronically underfunded even before the economic downturn, NYCHA may need to raise rents and cut services in order to deal with mounting deficits and budget cuts, officials are warning. The housing authority has come under fire for failing to keep its buildings safe and faces a \$195 million operating deficit this year. NYCHA Chairman Tino Hernandez has said that the housing authority plans to raise rents on some tenants and consolidate community centers in order to meet the gap.

Many are calling for the city and state to step in, warning that NYCHA could face serious consideration of privatization effort if the economy worsens significantly and its operating deficits grow.

Its best hope may be the federal government riding to its rescue—the Senate and House are currently considering stimulus packages that would provide \$500 million to \$1 billion in new funding for housing authorities around the country. More may be on the way next year, depending on how the new president and new Congress approach these questions once in office. **CH**

## NEW YORK **NEXT** ► Transportation

# Massive Shortfalls Endanger Present Service and Future Projects

BY SAL GENTILE

**L**OW-EMISSION, RAPID-transit buses whipping down Fifth Avenue. Ribbons of high-speed rail laced along the northeast corridor. Sparkling new subway cars pulling in and out of freshly tunneled hubs along Second Avenue. Some will even run on time.

That 21st century vision of the city's transportation infrastructure, stitched together with the discarded blueprints of previous administrations, has been forestalled by crippling budget shortfalls for decades that are clearly only about to get worse. Budget crunches and ideological battles have arrested the flow of federal transportation dollars during the Bush administration, which has tried at various times to cut off money for Amtrak and other inter-city transportation systems, with less of an eye toward city transit in funding formulas. Meanwhile, skyrocketing fuel and construction costs have slowed efforts by the MTA to upgrade its equipment and improve service. Even the "core program"—basic infrastructure improvements and operational upgrades—has suffered as subsidies lag behind rising costs.

Add a dash of sustained economic turmoil, and the outlook for the city's transportation system looks grim—a reality the

MTA acknowledged last month with its proposed "austerity budget," featuring service cutbacks to regional rail and subway lines, as well as draconian fare hikes for even the disabled.

All of which means that the future of the city's transportation system boils down, very simply, to dollars, which will be in much shorter supply and much higher demand in the years to come. New York's congressional delegation, led in part by Rep. Jerrold Nadler (D-Manhattan/Brooklyn), who serves on the House Transportation and Infrastructure Committee, is pushing for at least a \$325 billion capital investment in transportation infrastructure nationwide over the next five years from Washington. That would be a huge jump: the last national transportation bill amounted to less than \$300 billion, with President George W. Bush threatening to veto anything more.

"It will certainly make our economy less competitive with other countries who have invested in their infrastructure properly," Nadler explained, pointing out that since 1980, the United States has spent only 1.8 percent of its GDP on infrastructure, as opposed to nine percent in China and five percent in India.

Without that kind of cash infusion, officials say, New York's transportation future

looks grim.

"It would be a matter of when we turn the lights off," said Lee Sander, chairman and CEO of the MTA. Apparently, he plans to flip the switch in June 2009, when the MTA's proposed service cuts are scheduled to take effect.

To avoid service cutbacks and fare hikes proposed by the MTA, the Ravitch Commission proposed a payroll tax and tolls on bridges, including those over the East River. Whether any of this will come together—especially the East River tolls—could hinge in large part on politics, as the city goes into an election year.

The cash flow problems will undoubtedly lead to the slowing or stopping of capital programs and expansion projects. But long term, said Regional Plan Association spokeswoman Neysa Pranger, that could have much more devastating consequences for the city's economy and growth.

If the Second Avenue Subway, for example, was delayed for the fourth time in its history, she said, it could be decades before another reboot. That would hamper the city's ability to handle a growing population.

She called on Albany to get involved to save this and other threatened transit expansions in the city with an understanding of



# Unions United in Pessimistic Views of Their Future in the Downturn

By MICHELLE FRIEDMAN

**I**N 1989, NEARLY 40 percent of the city's workforce living within the five boroughs was unionized. In 2007, just above a quarter of the city was, according to the Fiscal Policy Institute. The combination of this drop-off in members and the recession settling in makes the fate of organized labor in New York, in a word, bleak.

Private building trade workers stand to suffer the greatest losses, while public sector employees are expected to fare better, relatively. With the anticipated loss of funding for building initiatives, it will be difficult for unions to ensure the job security of members in the public sector as projects become scarce. However, Mayor Michael Bloomberg (Ind.) has vowed not to lay off city employees, though his hiring freeze will leave many jobs unfilled.

Not even construction, for so much of New York's history one of the city's most reliable sectors for union employment, is safe. A recent report released by the New York Building Trade Congress predicts one more year of the current building boom before development decreases, with an anticipated loss of 29,850 construction jobs between 2008 and 2010.

According to Ed Ott, executive director of the AFL-CIO New York City Central Labor Council, some of these jobs may be lost permanently. In the economic slump of the mid-1980s, projects were delayed for years, only to eventually be cancelled.

Edward Malloy, president of the Building and Construction Trades Council of Greater New York, represents many of those whose

jobs are at risk.

Asked for his view of what happens next, he gave a very simple lament.

"People will go on unemployment," he said, adding that government locally and nationally needs to invest in construction to soften the blow.

Both Malloy and Ott agree that the city should invest in rebuilding programs of major infrastructure projects to keep workers on the job.

That is not the only proposal on the table to try to keep organized labor in the city strong. Mike Merrill, dean of the Harry Arsdale Center for Labor Studies, proposed that leaders follow the example of history in planning for the future.

"In the past, trade alliances have imposed a work-share rule, so that no member works for more than six months, and every member works," he said.

While this may seem more detrimental than beneficial, work-share would ensure at the very least that workers in volatile fields attain some form of employment, Merrill explained.

Layoffs are less of an imminent threat for civil service employees, but they face their own unique set of challenges in the coming years. Nearly all labor contracts with the city or state cover a span of four years at the most, so most unions will be forced to negotiate settlements in the midst of this economic downturn.

"As city revenues contract, there's going to be more pressure on whoever is in office to try to hold the line on pay increases and more generous benefits," said David Fischer, a project director at the Center for an Urban



Parade of unemployed

1909

Future. "There will also be a countervailing pressure on unions to moderate their bargaining position."

The reality of the situation is that everyone is going to suffer. Historically, parties bargaining with the city have experienced reduced benefit packages in rough economic times, and with the cost of living steadily on the rise, it is going to become even more difficult for public employees to remain residents of the very municipality that employs them.

One benefit that is safe, according to Stuart Lebowitz, president of DC 37's Retirement Association, is existing pensions.

While forthcoming contracts will likely see a reduction in benefits, retroactive and past settlements will remain intact—a guarantee which will likely be a major weight on the city and state budgets going forward, but one that is required by state law. The upside is that contract negotiations tend to match

the times, so when the economy eventually turns around, so will the conditions.

Stanley Aronowitz, a labor expert and CUNY professor, warned that the salary cuts, layoffs and wage freezes public sector employees experienced in the 1970s and '80s are "entirely possible." He pointed to the late 1970s when DC 37—the city's largest municipal public employee union—saw 50,000 members lose their jobs.

"I don't think the public sector has job security at all," Aronowitz said. "This is going to be a very long recession."

Others, though, maintain a more optimistic outlook.

James Parrott, deputy director and chief economist at the Fiscal Policy Institute, believes that if sound economic procedures are followed, the impact on workers will be less severe.

"The city can be quite smart about how it balances the budget so it doesn't adversely affect services and quality of life," he explained. "If the city enacts a budget with steep cuts, it will worsen the downturn."

Looming state budget cuts will also almost definitely cause major problems for labor, with many unions already strongly fighting the proposals which have been coming from Governor David Paterson (D).

Nationally, many are hoping that the next administration in Washington will be more of a friend to labor and the middle class by passing the Employee Free Choice Act, which would make it significantly easier for workers to organize. President George W. Bush took little interest in this legislation over his time in office. But the realities of the economic situation already have many predicting that Barack Obama will be forced to move more slowly than promised on pro-labor initiatives once in the Oval Office.

As the country gropes for a new economic model, a set of local and national policies that encourage more equitable living standards and benefits is necessary to the survival of a healthy workforce, according to experts.

New York State AFL-CIO president Dennis Hughes stressed the importance of higher education, health care and retirement benefits, as well as affordable housing and public safety, in preserving the city's middle class.

"Workers in New York really take a disproportionate hit," he said, noting that the city's place as the financial capital is problematic when times get tough. "We have to preserve the city to preserve their jobs."

CH



New York Central Bldg. & tracks

1911

how much these will define which future the city faces.

Much of what the city will be able to accomplish over the next five years depends on a wide set of variables. If the real estate market does not recover, the MTA may need to adopt its most austere budget yet. It may even need to sell its own Madison Av-

enue headquarters, as some politicians have suggested. By some estimates, the building could fetch as much as \$200 million on the open market.

Other moves toward privatization may be ahead. The state, for example, is exploring ways to cut deals with private entities to operate public assets like the Tappan Zee

Bridge.

Another outlier: Whether or not Mayor Michael Bloomberg (Ind.), if he wins a third term, can marshal his renewed political clout to revive his congestion pricing plan, powered by some significant horse-trading, and expend considerable political clout to consolidate outer-borough and suburban support.

"One would think that congestion pricing is now back on the table," said Jonathan Greenspun, a political consultant and former commissioner of the Community Affairs Unit under Bloomberg. "Bloomberg, having done it already, knows where he came up short, namely the State Legislature, and now has more time on his side to go back and resell Albany."

Even then, fare hikes are considered inevitable. The only question is how much New Yorkers will be forced to spend to get around their city.

A 2006 report from the conservative Manhattan Institute advocated increasing tolls to \$4 per ride—how much it now costs the MTA each time a straphanger swipes a Metrocard.

Officials hope money from Washington staves off that eventuality.

"It is impossible for New York to compete with Shanghai and with London," Sander said, "just from Albany and just from City Hall."

CH

sgentile@cityhallnews.com



# With Finances Low and Mayoral Control in Question, Major Tests Ahead for Schools

BY ANDREW J. HAWKINS

**E**ARLY NEXT YEAR, the State Legislature will take up the question of whether to reauthorize one of Mayor Michael Bloomberg's (Ind.) key legacies: mayoral control of schools.

Unlike in 2002, when mayoral control was first enacted, the debate will be set against an alarming economic backdrop, with growing concerns that the city's expanding budget deficit will soon begin to take a heavy toll on the education system.

As city officials point to improving graduation rates and test scores as evidence that mayoral control is working, some see the opposite. Opponents cite overcrowded classrooms, chronic absenteeism and fewer opportunities for parents to have their voices heard as proof that mayoral control lacks accountability and must be overhauled.

But now that Bloomberg intends to run for a third term, many on both sides of the debate are recalibrating their positions in order to come to terms with what four more years of Bloomberg will mean for the city's 1.1 million public school students.

For New York City Schools Chancellor Joel Klein, the renewal of mayoral control is essential to the future success of schools, both in terms of accountability and the continuing trend of introducing ambitious ideas.

"If you look around the country at places like Washington, D.C., and Boston and Chicago, cities that all have mayoral control, those are the cities where big things tend to be happening," Klein said.

But New York is unique in the take-no-prisoners style of governance concocted by

Bloomberg and Klein, whose big ideas have had mixed success. On one hand, he ended social promotion, but on the other, he failed to tie teacher tenure to school performance.

But with all eyes on the economy, many parents are worried that the meltdown will send a huge influx of private school students to public schools, some of which are already filled to capacity. Add to that increased residential development and an expected spike in population by 2030, and school overcrowding may fast be approaching its tipping point.

Klein said that the data is vague in terms of how the economic crisis will affect class size, but that he understands why the growing number of students per teacher is a concern for many families. He pointed to efforts underway to integrate new school construction into development projects throughout the city, and stressed that overcrowding should be seen as a testament to the quality of public schools.

But many studies show that overcrowding can contribute to retention and truancy problems, and New York schools already are gaining a bad reputation for chronic absenteeism.

Klein noted that 60,000 seats were added under the Department of Education's current \$13 billion capital plan. But according to Leonie Haimson, an outspoken critic of Bloomberg and the executive director of Class Size Matters, at least twice that amount is needed.

"There's room for huge amounts of private development, for stadiums, for commercial development, for everything else," Haimson said. "There's clearly room

for schools."

More and more students are attending classes in mobile trailers, and if enrollment continues to grow over the next five years, the system could buckle, Haimson said.

The dips and spikes of school enrollment have made many education observers worry about the long-term capacity of the system to handle more students—but the greater concern remains with the barrage of testing students face. The state and the federal government have increased pressure to improve test scores, leading many schools to narrow the curriculum to teach toward those tests, which critics say leads to short-term thinking on education.

Assembly Member Catherine Nolan (D-Queens) remembered how public school students like her were left holding an empty bag during the fiscal crisis of the 1970s.

"A lot of the extracurricular activities were taken away from us," recalled Nolan, who now chairs her chamber's Education Committee. "At this point, making sure there are enough resources is far more important than governance."

How the school system absorbs the obvious budget cuts that are coming down the pipeline will determine the future of education in New York, said Diane Ravitch, a former assistant secretary of education and frequent critic of mayoral control.

"When Mayor Bloomberg came into office, the annual spending was in the neighborhood of \$12.5 billion—and now it's around \$21 billion," Ravitch said. "There's a lot of things the schools are budgeting for at Tweed that are going to be unsustainable."

Over the past year, state lawmakers have



Boy wearing coat with attached bag covering feet, seated at table, outside of classroom, reading, New York City Circa 1920

held hearings all across the city on school governance. They have been told by both parents and teachers that the reauthorization of mayoral control should include more transparency and great scrutiny of test scores and graduation rates. But with Bloomberg likely to retain his grip on the schools if he is re-elected, those hoping for a sea change in the city's education policy are now expecting to wait a little longer.

"I have heard the mayor say that this is his greatest legacy. But what I've heard is problems have been swept under the rug," Ravitch said.

ahawkins@cityhallnews.com

# Tough Times May Change the City's Faces and Turn Growth Spurt to Growth Sputter

BY DANIELLE DOUGLAS

**P**EOPLE FROM BEYOND the five boroughs—and in some cases beyond America's shores—have always poured into New York City, and the stream stayed strong throughout the last decade. But the economic tide has turned, eroding revenues and saddling the city with a budget deficit that may impact the quality of life.

The steady migration of the '80s and '90s sent the Big Apple's population soaring to a record eight million in 2000. By 2010, the population is expected to increase by 4.9 percent, but growth will decline to 3.5 percent in the following decade, according to the Department of City Planning.

"The severe economic problems of the city, particularly if they are drawn out, could actually cause people to leave in large numbers," said Jonathan Bowles, director of the Center for an Urban Future. "It puts into question whether the city will see the type of population increase over the long run that the Bloomberg Administration is predicting."

Officials from the Planning Department contend that the population forecasts for continued growth should stay on track despite the fiscal crisis, pointing to the Great Depression, when the city actually added roughly half a million residents. Ebbs and flows in migration are to be expected, but New York's position as a world-class city will continue to attract



a cross section of ethnicities, incomes and interests, the agency argues.

"After the attack of Sept. 11, people were predicting New York would lose its appeal as a place to live. It turned out to be quite the opposite; we've added 300,000 people since the 2000 census," said Mitchell Moss, a professor of Urban Policy and Planning at New York University and occasional advisor to Mayor Michael Bloomberg (Ind.).

Much of New York City's recent population growth has been fueled by immigration. Some three million city-dwellers are foreign-born, and more than 20 percent have arrived in the past eight years alone. However, Bowles said, that trend may be about to change.

"If there are no longer jobs or decent paying jobs for immigrants, you might see fewer of them coming to the city," Bowles said.

While immigrants are employed at every level of the city's economy, many make their living in service industries or as low-skilled labor, which are some of the hardest hit sectors. And the effects are beginning to be felt. David Dyssegaard Kallick, a senior fellow at the Fiscal Policy Institute, has observed a leveling off in immigration since the onslaught of the economic downturn. The rebirth of many of the city's neighborhoods has been tied to a rise in immigration. But should this trend of decline continue, these gains may hit a plateau.

Meanwhile, better economies at home may slow the influx of immigrants from South Korea and India, but people from those countries' South Asian neighbors like Pakistan and Bangladesh have been arriving in greater numbers, settling into areas like Flatbush and Jackson Heights. Dominicans, Chinese, Russians, Guyanese and Mexicans have been flocking to the five boroughs in droves and will likely continue to do so. Dominicans have eclipsed the Puerto Rican population in the Bronx, while Russian migrants are taking over the once solidly Italian area of Bensonhurst.

In recent years, many middle-income families began settling in gentrifying neighborhoods throughout Brooklyn and Queens. But as increases in housing and health care costs outpace wages, this group may have a

hard time remaining. Homeowners may have the option of becoming renters, but the city's excessive rents can be just as prohibitive as a mortgage. Over two thirds of the city's residents are renters, the majority of whom spend more than half of their income to keep a roof over their heads.

As a part of Plan NYC 2030, Bloomberg promised affordable housing for 500,000 city-dwellers by 2013. But two years after that pledge, the city now faces a \$2.3 billion budget shortfall, with even larger deficits anticipated in the ensuing years. Spending cuts are expected across the board, making service expansions and housing increases unlikely. That could lead to a demographic shift in itself, with an acceleration of middle class families headed to the suburbs. A deeper stratification between the classes could be coming as well, with the number of middle-income jobs being created in the city essentially at a standstill.

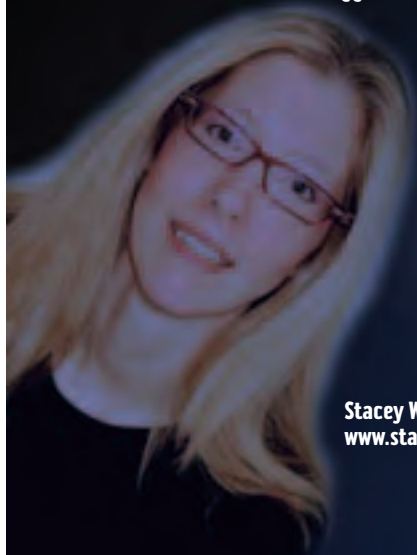
Whatever their ethnic or geographic background, though, those who choose to live in New York have one thing in common: being New Yorkers. And that, at least to Moss, is cause for hope.

"We are going to certainly see some painful economic times," he said. "But the one thing that people forget is that New Yorkers are accustomed and skilled at adapting to difficult times. The people who are here are committed to being here." **CH**



# NEW YORK NEXT ▶ New York Psychics Tell What They See in the City's Next Five Years

"The city is not going to be that different in five years. Overall, I feel like things are going to be more decentralized, specifically related to schools and social services. People are going to be a little more civic-minded. It will be subtle, but you'll notice that shift in consciousness. The only visual difference I'm seeing is that the cars will be smaller, but they'll be streamlined and roomier inside. I wouldn't be surprised if the materials we use to make cars are less bulky somehow. The Amtrak-type trains will also look different, I feel. They will be faster, easier and smoother. I feel like the UN is going to expand out and build a second building into the East River. If you'd asked me what the city is going to look like 20 years from now, I would have told you there will be piers or floating apartments or added land: Manhattan will be bigger."



Stacey Wolf, psychic, medium  
www.staceywolf.com



## PEERING INTO THE CRYSTAL BALL

If you really want to find out what the future holds, go to the experts. That's what we did, checking in with some of New York's best storefront fortune-tellers. With palms extended, the results follow.

—Compiled by Michele Hoos

"If Bloomberg will win, the next two years are going to be a bit touch-and-go with Wall Street. Eventually, a new order will emerge that will be healthier for all concerned. As Wall Street gets better, real estate prices will go back up. The World Trade Center could be done in five years; however, there will still be red tape. They may still find remains. The new building will always be in the shadow of its former self. The emotional energy attached to the building is slowing the process. New York is still healing from Sept. 11—and this city has been going through some problems now—but New Yorkers are very resilient people. New York has always survived."

Linda Orhun ("Destiny"), psychic  
www.psychic-destiny.com  
destiny188@aol.com  
212-737-8681



Derek Calibre, psychic  
readings, New York City  
www.derekkalibre.com  
646-351-6159



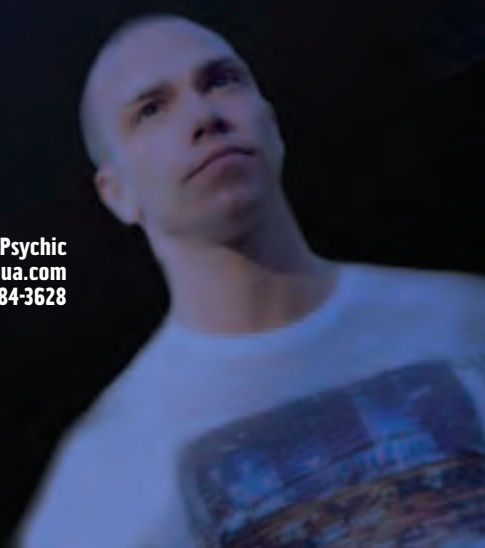
"If the economy continues this frightening downswing—and chances are it will get worse in the next 18 months before it gets better—New York City will see a dramatic increase in crime. This includes crimes of all types: murders, robberies and rapes. Our next mayor will be a disappointment and a loser by comparison to Mike Bloomberg. I don't see Bloomberg getting his third term, so there will be hostile feelings all around toward the next New York City leader. The City will see the death of at least one very prominent movie star, sort of along the lines of Heath Ledger. There will be controversy around the death, but it won't be a murder. We will see at least three unions strike. We will have another blackout by next summer, but no later than 2013. One of our notorious, mean, wealthy 'celebutantes' will die by 2013. It will be a drug overdose, but there will be a cover-up. It will be Anna Nicole Smith-like, only more interesting."

Judi Hoffman, Celebrity Psychic  
www.judihoffman.com  
judi@judihoffman.com  
212-534-6279



"Architecture will be revitalized considerably in 2013, with creativity reaching its peak. I see slanted buildings, asymmetrical design and tinted windows. In New York City politics, voices from the 'fringes' of society will emerge—perhaps gay or transgendered ones. Pomp and circumstance surrounding celebrities will be toned down. The paparazzi will have perhaps crossed one too many lines, and we'll be a little more discerning about who we choose to put up on a pedestal. At Ground Zero, the spirits and energies of those who died on Sept. 11 are still being released. Unbeknownst to the professionals involved in the new construction, they're channeling a lot of this spirit energy into this most successful project."

Joshua the Psychic  
www.psychicjoshua.com  
646-784-3628





# CITY DEVELOPMENT SHOULD BENEFIT WORKERS TOO



Too often, the City has provided financial incentives to real estate developers who create low-wage, dead-end jobs for New Yorkers.

It's time for a change.

Mayor Bloomberg and the City Council must require developers to provide the workers who clean, maintain and protect their properties, the wages and benefits their families need to get by.

## We need a City-wide policy to ensure all developments benefit working families.



**32BJ SEIU**

101 Avenue of the Americas  
New York, NY 10013  
212.388.3800  
[www.seiu32bj.org](http://www.seiu32bj.org)