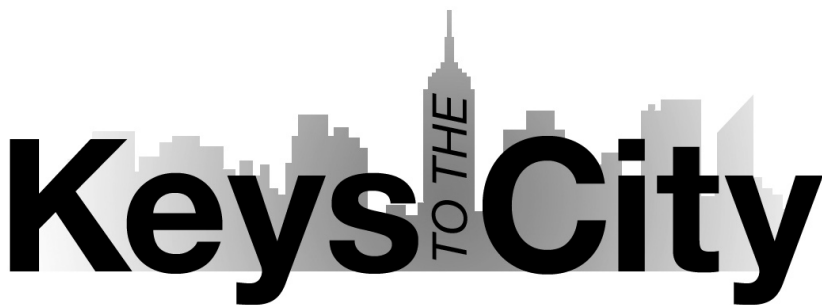




Keys TO THE City

Keeping New York the
Capital of the Middle Class

BY REP. ANTHONY D. WEINER



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INTRODUCTION

The middle class and those struggling to make it in New York face a looming crisis. More New Yorkers are getting caught between powerful forces beyond their control. At the same time that our cost of living is continuing to climb, an economic slowdown is limiting growth and opportunity. Trapped in this tightening vise, the middle class needs policymakers to discuss what can be done.

The issue is not an academic one for me. It is personal. I grew up in Brooklyn, the son of a public school teacher and a lawyer who, after earning his degree through the G.I. Bill, literally hung a shingle near our stoop. I graduated from PS 39, my neighborhood elementary school, Junior High School 51, and Brooklyn Tech. Right out of college, I entered public life, learning from my mentor, Senator Chuck Schumer.

As a public servant, I am driven by a commitment to ensure that New York remains the capital of the middle class. I believe government has a responsibility to act as a partner to keep citizens safe, help those in need, and support economic growth.

Below, I want to trace the history of how the middle class has succeeded in New York City, describe some of the long term obstacles I see to its future success, and then offer a set of solutions—approaches to big issues like housing, education, health care, and economic growth that we should pursue.

In the months ahead I will be expanding on these themes and offering more ideas and specific details, positions and solutions. But the goal here is different: it is time that we take a long look at the problems facing New York's middle class, and begin to outline an approach and mindset I hope we can all share.

It is also the beginning of a conversation. I am optimistic about the City's future, because the savvy, grit, and determination which built the Big Apple into the world's greatest metropolis endure

as our greatest assets. For that reason, I look forward to hearing a full debate on how we can keep New York the capital of the middle class.

CHALLENGE AND OPPORTUNITY

Today, the foundation for New York's middle class is under tremendous strain. Affordable housing is harder to find, and quality health care is harder to afford. The schools which have educated generations of middle class children no longer offer the same promise. And while our infrastructure calls out for investment and modernization, employers are being tempted overseas—or at least across the river.

New York's mantle as the great gateway to the middle class is in peril.

It need not be this way. The elements which made New York a mecca for middle class Americans remain in our DNA. Our teachers are the best in the world—we simply need to give them the structure and resources our children deserve. We have the best doctors, nurses, and hospitals on the globe—but the way we provide care leaves too many out in the cold. New York's Finest have stepped up to the task of defending the City against terror after 9/11, but they cannot be asked to keep us safe without adequate support. And the demand for housing calls out for new partnerships to make sure every family has an affordable, safe place to live.

We are at a crossroads in New York. For the last 20 years, we have benefitted from an often strong economy, the commitment of devoted members of the business community, the grit of millions of working people many of whom are in trade unions, incredible contributions from neighborhood activists around the City, and a series of good decisions made by our elected leaders.

But the challenges ahead remain daunting, and we need to face them head on. Failure to act may imperil the fundamental elements that have driven the Big Apple to be the globe's middle class capital. But if we lean into the tough decisions—dedicated to reform—we have the

opportunity to recommit ourselves to the spirit that has driven New Yorkers for generation upon generation, ensuring that families willing to work hard and play by the rules are given a chance to thrive in the greatest city the world has ever known.

CAPITAL OF THE MIDDLE CLASS

New York has changed dramatically through the years. Before Manhattan was entirely developed, a patchwork of farmland dotted the outer-boroughs. The rapid influx of immigrants before and after the turn of the 20th century spurred the rapid expansion of tenement housing. The development of Tammany Hall—the notorious political machine whose corruption fed off the vitality of the growing city—begat Robert Moses’ emergence as the region’s foremost masterbuilder. The City sank into turmoil through the dark days of a municipal fiscal crisis, an outmoded police force, and a crack epidemic. And most recently, New York has enjoyed a period of nearly unprecedented growth, the resurgence of the City’s transit system, and an incredible turnaround in crime.

Through the years, in part as a result of the City’s development, public perceptions of New York have evolved. A teeming, chaotic den of immigrants just through Ellis Island turned to a staid, post-war corporate haven after World War II. A crumbling, drug-ravaged slum in the 1970s became the safest big city in the country by the turn of the new millennium.

All of these impressions have been glib, and none have captured the complexity of the City. Certainly there were well-to-do families living in the five boroughs even during the periods of greatest challenge. Today, a full fifth of the city—and still more by Mayor Bloomberg’s new standard—lives below the poverty line in a metropolis that nevertheless glimmers with optimism.

But present throughout all of the City’s modern history—through boom and bust—New York has maintained a unique quality. The can-do attitude, competitive spirit and aggressive nature ingrained in New Yorkers have made the City a machine of innovation, growth, and

opportunity. People with nothing more than tenacity, perseverance, and a bit of savvy can emerge from a hard-scrabble start in New York with the opportunity to earn a middle class living.

Throughout the entirety of New York's history, success has never been tied ultimately to class, wealth, or background. There's no doubt that privilege can provide an advantage. But what makes New York unique is the chance it affords those willing to sacrifice and pull themselves up by their bootstraps.

Turn-of-the-century immigrants came to New York looking for a better life—and the same dream draws people today. College grads gravitate to the City looking to break into the industries which thrive in the five boroughs. People of all races, genders, ethnicities and religions come to New York because it offers them the opportunities they might lose if they lived elsewhere.

For all the talk about the glitz and glamour, the wealth and privilege, the corporate headquarters and skyrocketing real estate prices, New York is less defined by its luxury than its commitment to opportunity. At closer inspection, it is a city built for the middle class, and those aspiring to get there. More than any other measure, its star rises and falls on the chances it affords those willing to sacrifice in their drive to climb the economic ladder.

The old Frank Sinatra ballad played at the conclusion of each Yankees win gets it wrong. The point isn't that "making it" in New York proves you could be successful anywhere. It's that New York gives anyone willing to work hard the chance to succeed, an opportunity that might not be as available anywhere outside the City's five boroughs.

TROUBLE ON THE HORIZON

For all the City's successes over the course of the last two decades—and there have been plenty—there are now signs that life has become more difficult for middle class New Yorkers and those aspiring to get there.

For every investor who has made a killing during an IPO (initial public offering), there's a neighborhood pharmacist who has been put out of business by a big chain. For every developer who has seen an investment turn into a real estate bonanza, there's a family in a neighborhood like Sunnyside trying desperately to keep up with a rising property tax bill. For every neighborhood strip that has celebrated the opening of a more convenient Starbucks, there's a hardworking middle-class parent struggling to put his or her kids through college on the profits earned by a small family-run business.

That's not to say that the City does not benefit when Wall Street handles an IPO, that anyone hopes that a real estate slump envelops the five boroughs, or that New Yorkers in search of a pick-me-up should be deprived of the opportunity to purchase a venti iced double shot vanilla skim latte. But those with an interest in seeing the City continue to thrive should not be blind to the effects the last two decades have had on the New Yorkers who have never managed to swing a "signing bonus," who struggle to cover their tax burden, and who are just as happy to wake up with a regular cup of joe.

Neighborhoods like Bay Ridge, Throgs Neck, Washington Heights, Woodside, and West Brighton still house middle class families who are raising their kids in the great tradition of the Big Apple. But ask around, and most will tell you it is much more difficult to carve out a comfortable living than it was a few years ago. And those who aspire to steward the City through the coming year ought to be listening.

THE CHALLENGE FOR THE MIDDLE CLASS AND THOSE ASPIRING TO GET THERE

To combat the challenges that families are facing—and to maintain the gateway to the middle class—New York will have to focus on addressing at least eight challenges.

Easing Costs for New York's Middle Class: Skyrocketing rents and exorbitant health care costs are among the many challenges facing the City's middle class and those aspiring to get there. But the

bottom line is that many families are finding it more and more difficult to cover the costs of raising a family on a middle class income.

That's not good for anyone. It's not good for parents forced to sacrifice to make ends meet. It's not good for small and big businesses alike, which depend on middle class wage earners to keep the wheels of the economy moving. And it's not good for the City, which risks losing families who may choose to move where they can stretch a dollar that much further.

So it is time for City Hall to cut taxes on middle class New Yorkers and those aspiring to make it.

That does not mean cutting municipal revenue so dramatically that the City will not be able to meet its obligations. Frankly, making the tax code a little bit more progressive should cover most of the costs of easing the burden on the City's middle class.

But we can afford to cut a break for those who work hard and play by the rules. The City's leaders need to focus on efforts to help middle class workers afford the home they want to live in, the school where they want their child to enroll, and the preventative care that will keep them out of the hospital. What's good for the middle class is good for the City as a whole.

Fighting for Affordable Housing: In what many have interpreted as an unprecedented boon for home owner and real estate developers, property values have risen for the better part of two decades. Neighborhoods that once seemed unappealing to many middle class New Yorkers have become fashionable. New buildings have been constructed all over the City, and until recently those looking to unload their homes have been, in many cases, thrilled to see the selling price shoot through the roof.

The rise of New York's real estate market is largely a testament to the resilience of residents who suffered through the City's bad old days to see it flourish again. Credit for the increase in values should be spread

across the businesses which persevered—particularly those in the financial industry—and those in government who pushed to improve the services and infrastructure which attract firms, new residents, and visitors every year. No one would prefer that real estate across the City depreciate, and it is a blessing that owning property in New York has become more attractive to most buyers, rather than less.

But there is an underside to the dramatic appreciation which has defined the City's real estate boom. Rising values have put mortgage payments beyond the grasp of too many middle class families. For real estate investors who buy properties in the hopes of flipping an appreciated holding, rising values are an almost unmitigated boon. But for the single family homeowner in Springfield Gardens or the condo owner in Sheepshead Bay, the skyrocketing value translates into a property tax bill that in too many cases is beyond their means. Moreover, rising property values demand higher rents, which put a strain on those who aren't fortunate enough yet to claim their piece of the American Dream of homeownership.

Ensuring that New York remains the world's premier gateway to the middle class means making sure that housing stays affordable for those willing to invest in the City. The low hanging fruit—the programs that took advantage of the relatively soft real estate markets that plagued the City during the 1970s and 1980—are no longer able to ensure that middle class families can find housing in the volume New Yorkers demand. Mayors Dinkins and Koch focused in part on rehabilitating units of "in rem" housing. New programs—successors to the Mitchell-Lama program in the 1970s and the Nehemiah program begun in the 1980—need to be developed to sustain a growing middle class.

That means that government has to continue to partner with developers and non-profits to add to the housing stock available to the New Yorkers who cannot spend extraordinary sums on rent, mortgage and condo payments. It means improving the type of brownfields program that Governor David Patterson has begun to resuscitate in Albany. It means finding creative ways to transfer air rights over municipal assets like public schools. And it means recommitting ourselves not only to

improving public housing, but to making the best use of every parcel of land in the public domain.

Building World Class Schools: New York's schools are famous for producing some of the nation's brightest pupils. Despite facing all of the challenges serving a metropolis, the City has produced an eye-popping percentage of Westinghouse Scholars, each of whom had demonstrated uncommon talent in the sciences. Today, the board rooms of Fortune 500 companies around the globe are filled with graduates of the City's public high schools.

But to remain a gateway to the middle class, the City's school system has to do more than focus on failing students, of whom we have too many in New York. Public schools have to help middle class parents like mine turn an average student like me into a good student, or a good student into an excellent one. When it comes to educating our kids, we've got to get back to basics.

That means holding the system's leadership accountable to the public. It means taking seriously the discipline problems that diminish the learning experience of scores of well-behaved students. And it means focusing more and more on early education and elementary school, so that high schools are not burdened by the responsibility of teaching older students what they should have learned earlier in their careers.

Moreover, it means ensuring that each pupil at every neighborhood school has access to a gifted and talented program, and it means providing students with the opportunity to pursue a vocational education. A college diploma is not for everyone, so reducing dropout rates by training plumbers or auto mechanics is a smart path if you want true job skills.

And finally, re-building the City's world-class public school system means maintaining standards and accountability. No student should be launched into adulthood without the skills needed to compete and win in the global economy. But a focus on test results

cannot be an excuse to stifle the imagination and ingenuity of the underappreciated teachers who spend day in and day out with the City's most prized assets.

Keeping the Streets Safe: Many of us remember the bad old days. With city neighborhoods torn apart by a crack epidemic, an overworked and understaffed police force worked ferociously to keep up. Focused on combating major crime, lesser violations were often overlooked.

Then, through the "Safe Streets, Safe City" program, and later with the help of the federal C.O.P.S. office, Mayor David Dinkins began to expand the size of the police force—giving One Police Plaza the flexibility to put more cops on the beat. During the Giuliani administration, Commissioner Bill Bratton instituted a policy of "community policing," embracing the "broken windows" theory of crime control, which created more interaction with citizens on the streets, and used a sophisticated mapping system to target the department's resources to the neighborhoods where they could make the most impact.

The new strategies brought crime down dramatically—and Mayor Bloomberg and Commissioner Ray Kelly deserve credit for continuing along the same path.

But 9/11 brought a new challenge. Combating terrorism, which theretofore had been the province of the federal government, became an even more crucial element of the NYPD's mission. Today, New York City employs roughly 1,000 officers devoted *exclusively* to counter-intelligence, anti-terror and homeland security work.

The gateway to the middle class is predicated on a sense that family members are safe where they live, where they work, and everywhere in between. So keeping New York the safest big city in the nation—combating both the threats of crime and terror—will require the City to keep its eye on three priorities.

First, the City needs to stay at the forefront of efforts to reduce crime: expanding its use of DNA technology, enhancing mapping programs

akin to the ‘Compstat’ program, improving efforts to track and neutralize sexual predators, and keeping the headcount of police officers up. And the police commissioner should be given the manpower that the NYPD’s mission requires. Nearly seven years after 9/11, there are fewer officers in the employ of One Police Plaza than there were the day of that tragedy.

Second, the City will have to do a better job demanding that Washington pay its fair share in the effort to thwart terrorist attacks—a crucial shortcoming during the Bush administration. When the nation’s financial capital is struck by terrorism, the nation’s economy suffers the consequences—not just residents of the tri-state area.

And third, the NYPD should continue its effort to work with communities throughout the City to build the type of trust that has been so noticeably absent in the past. Residents of every neighborhood should feel protected when they see a patrol car or a beat cop. And until we all see policing and the criminal justice system through the same prism, we can never be a perfect city for the middle class or anyone else.

Creating Reliable, Safe, Responsive Transit: In many American cities, use of the municipal transit system is synonymous with class: those with sufficient means buy their way out of bus and subway rides. But for much of New York City—with important exceptions in the outer-boroughs—the Metropolitan Transit Authority (MTA) is the great equalizer, utilized by New Yorkers at every point on the economic spectrum.

That’s why modernizing our city’s infrastructure and transportation systems needs to be among our highest priorities.

First, the system—unlike the police force and now the school system—remains largely under the control of Albany, leaving the City too frequently impotent in efforts to control and direct funding for systems that operate nearly exclusively within its jurisdiction. The subway’s budget should be controlled by the people who ride the subway. An

aging and fragile system that has been left without the investment that is so crucial to its maintenance should be governed by the people of New York City.

Second, despite the NYPD's best efforts, the subway system remains behind on efforts to guarantee rider safety. Signs throughout the system urge straphangers, "If you see something, say something." But in most every underground station, the pay phone doesn't work, mobile phones are out of range, and station employees are out of sight. Efforts to wire underground platforms, installed successfully throughout the world and all over the United States, have been case studies in delay and bureaucracy.

Third, when it comes to getting around, we should look back to see new ways to move forward. Until technology empowered engineers to build bridges and tunnels that could connect the boroughs and the City, ferries were the primary way New Yorkers traveled to and from Manhattan. The City is blessed by a waterfront that remains underutilized, and burdened by a congested transit system that is crying out for another way to get around town.

But beyond the transit system, more should be done to reduce congestion on the City's roads. While congestion pricing has received more attention than most other strategies of fighting traffic, there are common sense measures everyone should support in the fight against gridlock. For example, the City should expand its investment in Bus Rapid Transit, a system of expediting bus travel for which I won support in Washington.

Finally, as evidenced by my work as a member of the House Transportation and Infrastructure Committee to secure millions of dollars for pedestrian and bicycle transportation options, we need to make our existing infrastructure safe and friendly for alternative modes of moving from Point A to Point B. Integrated neighborhoods—where individuals live, work and play in close proximity to one another, as Jane Jacobs once exalted—demand that we enable those who want to commute without polluting to do so safely and easily.

Expanding Access to Quality, Affordable Health Care: Solving the problems endemic to New York's health care system is integral to the mission of ensuring that New York remains a prolific gateway to the middle class. We can and should do more to help New Yorkers take advantage of their power in numbers, empowering small business owners, their employees, and others striving to make it into the middle class to purchase the quality health care they deserve.

While no single reform is a panacea, there are a series of proactive steps that the City should enact.

First, to better allocate the billions spent on emergency room primary care for the uninsured, we should move to require that all New Yorkers enroll in an insurance program—while simultaneously guaranteeing that affordable coverage is available to them. To get there, the City should pool uninsured residents and negotiate collectively to establish health care with reasonably priced premiums.

Second, we should stop throwing up our hands up as bureaucrats in Albany and Washington tell us how to spend tax dollars the City raises from residents and business in the five boroughs. City Hall is forced to spend billions of dollars providing a Medicaid match, but the City without any real influence over which procedures and conditions are covered. If we are going to make that kind of investment—a local match required almost nowhere except New York State—we should have much more control over how the program works within the borders of the Big Apple.

Third, New Yorkers are blessed to have the world's greatest public hospital system—but that asset is not being put to its greatest use. The Health and Hospital Corporation should be the HMO of last resort for people who would otherwise depend on emergency room and hospital care in the absence of having good health care coverage. No municipal asset is better prepared to be a laboratory for innovation in health care delivery than the HHC.

Growing the City's Job Base: Since 1970, New York's population has grown at a rate double that of job creation. As many as 11,000

jobs have moved across the Hudson, out of the five boroughs and into Jersey City alone. And as the Community Service Society has highlighted, specific communities throughout the Big Apple—African-American men in particular—find it difficult to find employment.

Many New Yorkers feel frustrated when the City's efforts to lure employers to stay in the City seem to focus on ensuring that high-paying white collar jobs in Manhattan—to the exclusion of five-figure salary positions at small businesses throughout the five boroughs.

The City's growth has been re-oriented by the explosion on information technology and the power of globalization. As John Sexton, president of NYU, has noted, the industries which once served as the core of New York's economy—finance, insurance, and real estate (FIRE)—are giving way to the emergence of alternative pillars of New York's strength: the intellectual, cultural and educational (ICE) sectors.

The Big Apple will never be able to compete on price. Salaries and costs will always be higher in New York, in part because the City offers more services to businesses, and in part because of the great demand to live, work and play in the world's greatest metropolis.

But no one should believe that watching New York's industrial base disappear is without its consequences, or that the jobs which sustain millions of middle class New Yorkers—in small businesses and on shopping strips throughout all five boroughs—are not integral to building the sort of commercial hub that makes the City hum.

That means we need to focus not only on the high-paying jobs that warrant extraordinary rents in skyscrapers downtown. We also need to ensure that there is a place for businesses that employ middle class employees—even if we never plan to bring breweries back to the Brooklyn side of the East River.

Taxes on New York's businesses are simply too high, and the City has not kept up its effort to provide effective incentives to businesses tempted to move to New Jersey, Connecticut and beyond.

Reclaiming Authority from Albany: Too frequently, responsibility for the most important decisions in our lives is obfuscated by unnecessary complication. The labyrinth of bureaucracy too familiar to entrepreneurs working to start a small business in New York makes it nearly impossible to pinpoint how to get things accomplished—or who should be held to account when things go awry.

That problem—which exists at every level of government, from Washington to Albany to downtown Manhattan—needs too be addressed head on. Responsibility for outcomes needs to be placed in the hands of people who are empowered to solve problems.

And on a municipal level, it means returning the levers of government to the people that New Yorkers put in office. Too much of our time in the Big Apple is dominated by Albany, or in many cases by unelected boards and agencies. From approving liquor licenses for local pubs to help getting the West Side or Lower Manhattan developed, we need to fight constantly for more control.

New Yorkers should be able to understand who makes the decisions which are shaping the City's future and voters should be empowered to make choices about the way they lead their lives. Creating mechanisms to hold decision-makers to account should be a bellwether of success in power.

A FORMULA FOR RESULTS

Certainly the litany of challenges and proposals listed above are not exhaustive. But the solutions described, and the orientation they reflect should outline an ethic of governing that charts the path forward.

Choosing to be Active—Not Passive: Faced with a new problem, government should face challenges head on—rather than wait to act in the hope that circumstances improve. Leaders should lean into problems, adjusting to ensure that City Hall is responsive to the ever-changing landscape.

Committing to Reform: Progressive politics too often gets confused with the effort to preserve policies regardless of whether they have effectively tackled the problems they set out to address. Democrats should never be afraid to face the hard truths and should always pursue better ways to manage taxpayer dollars.

Incubating Political and Social Entrepreneurship: No one should be so arrogant as to assume that they can engineer solutions to all of the City's great challenges. Government can only act effectively when its efforts are made in concert with leaders from the private and non-profit communities, in partnership with big corporations and block associations alike. In a city full of entrepreneurs, there is likely a solution to every problem. The challenge for City Hall is to find those solutions and bring them to scale.

Embracing Technology: A key to facing down many of the challenges which have beguiled City leaders in the past—and those that face us in the future—is embracing technology. From the Compstat program that empowered One Police Plaza to target their resources more effectively to Bus Rapid Transit, sharing information in real time should improve municipal efforts to attack the problems which affect the City's middle class.

THE CHALLENGE AHEAD

What's good for middle class New Yorkers is good for the City as a whole. Those aspiring to join the middle class—the more than 20 percent of New Yorkers who live in poverty—need an economic engine hungry to harness the energy of those willing to work hard. And those lucky enough to enjoy wealth need a local workforce both energized and creative enough to keep the City dynamic.

It's not that those living at the top and bottom of New York's economic ladder should suffer at the expense of the middle class. It's that maintaining the City's claim as the capital of the middle class is an investment that will benefit New Yorkers at all points on the spectrum.

A series of challenges face New York. But we should remain optimistic. The solutions will be found in a City that cultivates its ability to usher new generations of aspirant into the middle class. Harnessing the innovation and talent of tomorrow's New Yorkers should keep the Big Apple on top.



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