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New York's Next Comeback

History tells us that New York will recover from its current crises — but how? Here's what the evidence tells us so far.



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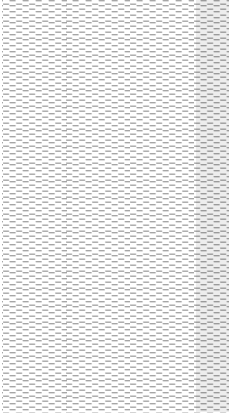
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even months after the first case of COVID-19 in New York was confirmed, it's clear that the city and its surrounding region are enduring one of the biggest crises we have faced in nearly a century. The 1918 flu pandemic and the Great Depression are the only modern precedents that match the depth of the health crisis and economic downturn that we are in, and both occurred when the region and the world were very different places.



COVID-19 challenges the very function of cities — to facilitate interactions of large numbers of diverse people and activities.

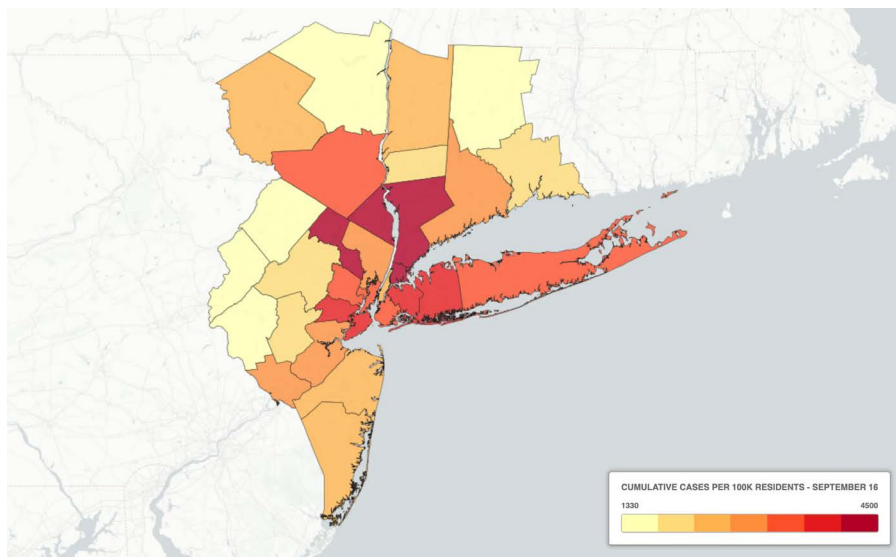


Anthony Quintano

While the crisis is global, the fact that New York was the early U.S. epicenter of the pandemic, and the ways in which COVID-19 challenges the very function of cities — to facilitate interactions of large numbers of diverse people and activities — understandably creates fear that New York is spiraling into a decline from which it might never fully recover. The widespread protests that erupted after the killing of George Floyd, further instances of police misconduct and brutality, and an increase in gun crime have added fuel to the intense debate over where New York is headed. Scarcely a day goes by without news articles or commentary raising the specter of people and businesses fleeing the city in droves, or pushing back that the fears are exaggerated and ignore New York’s enduring appeal.

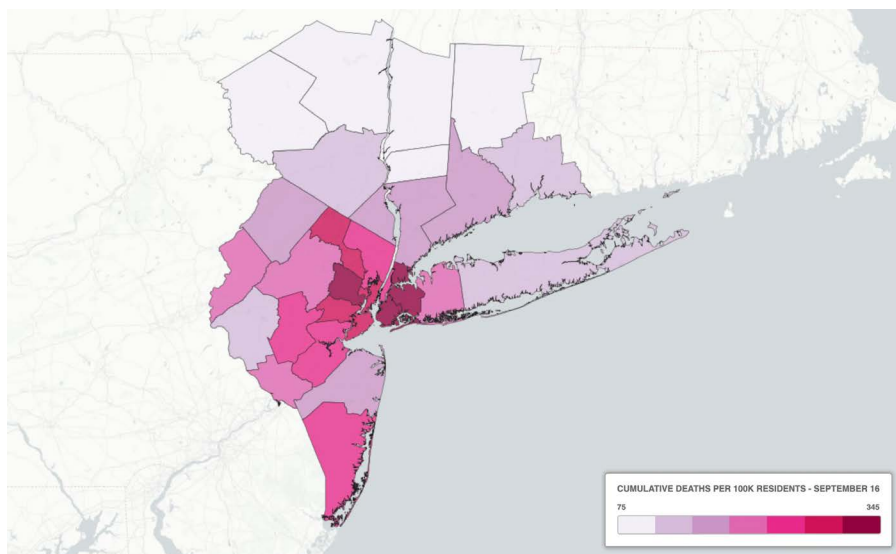
There is no way to minimize the human suffering and economic damage of the pandemic, or the enormous task of healing and renewal that lies ahead. COVID-19 has already resulted in 47,486 deaths and 622,187 confirmed cases in the tri-state metropolitan area, 23% and 8.6%, respectively, of national totals.¹ 1,890,000 jobs were

lost between February and May 2020, 17% of all jobs in the region. Through August, only 640,000 of these jobs have been restored since stay-at-home orders were gradually lifted starting in June. Unemployment is officially 12.4% for the region as a whole, and 16.3% for New York City.² But the real level of unemployment is likely much higher. Based on the number of workers receiving unemployment claims, the Center for New York City Affairs estimated that 33% of city residents were unemployed in July, and as many as 41% in the Bronx.³ The burden has fallen hardest on low-wage workers and immigrants, many of whom don't have citizen status or access to any federal relief or assistance.



COVID-19's Toll on the Region

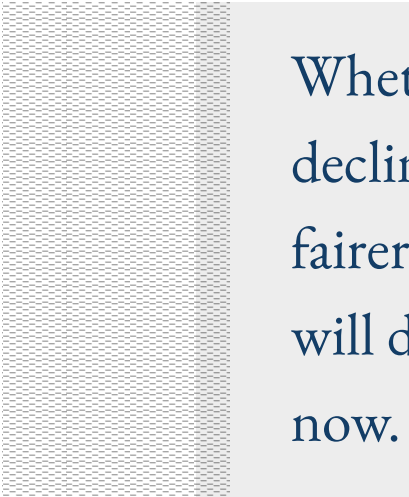
COVID-19 has already resulted in 607,564 confirmed cases and 47,481 deaths in the tri-state metropolitan area, 24% and 9%, respectively, of national totals.⁴



These interlocking crises of public health, economic disruption, and racial injustice have seeded a fourth crisis, a crisis of confidence. With so many hurting and with so much uncertainty, it can be hard to see the light at the end of the tunnel. Political polarization and mixed messages from different branches of government add to the sense that events are spiraling out of control.

Restoring confidence and fixing the structural problems that made the region susceptible to these crises will require the same leadership, commitment, and collaboration that changed New York from the epicenter of the pandemic to a model of how to flatten the curve. It will require clear strategy and decisive action from elected leaders, and it will require institutional reform and shared sacrifice from business, labor, government, and civic sectors. To aid that effort, this paper attempts to differentiate the real threats to recovery from unsubstantiated fears that can feed on themselves.

In spite of the immense suffering and fear, there are reasons to be hopeful. Aggressive public health measures and cooperation from residents and businesses have dramatically reduced rates of death and infection throughout the Northeast, and maintained a low rate of infection for New York City and the region even when cases were spiking in most other parts of the nation.⁵ Progress is being made on effective treatments and vaccines. Technology companies such as Facebook and Amazon have expanded their footprint in Manhattan even after the pandemic closed down much of the city. And there are now signs that many are returning to the city after leaving in the spring and summer.⁶



Whether we are entering an era of decline or come back stronger, fairer, and more resilient than ever will depend on the choices we make now.

Key Findings

Section I of this report outlines five common mistakes that can lead to bad policy choices:

- Mistaking short-term disruptions for new paradigms
- Thinking of the city and suburbs as a zero-sum game
- Confusing national and global trends with what is unique to New York
- Assuming a rising tide will lift all boats
- Recreating the past instead of envisioning the future

Section II summarizes what the evidence tells us thus far:

- Urban density does not spread the coronavirus, and brings a range of health benefits
- There is no evidence to date that public transit spreads the coronavirus
- The pandemic has demonstrated the health and climate benefits of reduced auto congestion and the reuse of streets and public spaces
- The long-term impacts of increased working and learning from home are still unclear, and could both challenge and benefit the region
- Gun crimes have increased but remain historically low, and other crimes continue to decline
- The recent surge of people moving out of New York City is driven by a combination of temporary and potentially longer-term forces that are different from past periods of urban flight
- Plunging tax revenue will force difficult budget decisions at both the city and state level.

Section III outlines the biggest threats that could lead to a deeper downturn and widening disparities:

- The biggest threat is that the fiscal crisis will lead to extensive deterioration of public services and infrastructure, particularly the region's transit system
- Widespread evictions and business failures would have ripple effects that would fall heaviest on the poor and make it much harder for the economy to recover
- An erosion of confidence in public safety could lead to further outmigration and widen racial and social divisions

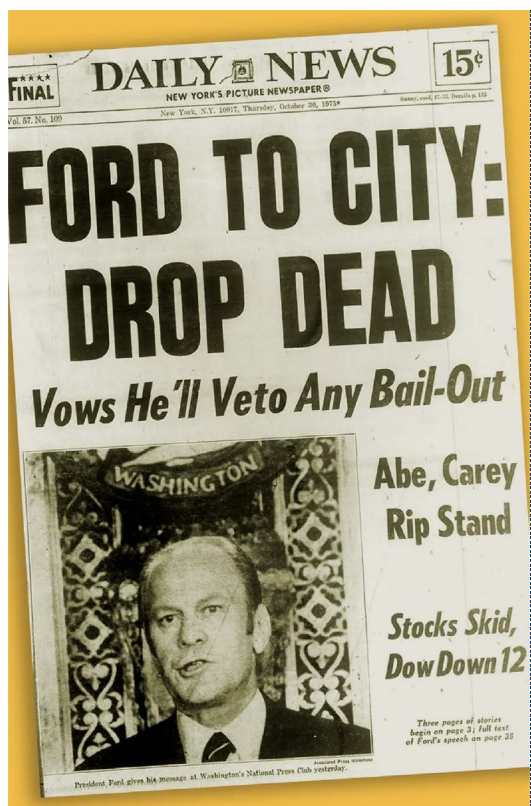
Section IV offers five reasons to bet on the New York region's future if we take the actions needed to address these threats:

- Urban density is still an advantage in the global economy
- Diversity and talent still drive economic success
- The New York region's unique agglomeration of assets is impossible to replicate
- New businesses and households will take advantage of vacant space and lower rents
- The crisis has been a wake up call to address our structural problems

The final section draws from RPA's Fourth Regional Plan to align actions that address the immediate crisis with a longer-term strategy to make the city and region more livable, just and resilient.

From providing affordable internet service for all to reforming government agencies to reduce costs and address racial inequities, actions that we take today can minimize the threats we face while positioning us to rebuild better. The formula for success must be a partnership that includes federal funding, good local governance, and collaboration from business, labor, civic institutions and communities across the region.

Charting New York's Next Comeback



A History of Comebacks

What we know is that New York has a history of coming back after many had given it up for dead, whether it was during the Great Depression when as much as one-third of the population was out of work,⁷ in 1975 when the city was nearly bankrupt, in the late 1980s when Wall Street was crashing and crime was peaking, or after the city was attacked on September 11, 2001. Each of these crises also brought immense pain and changed the city and region in ways that were hard to predict at the time.

New York's history should give us confidence that the city will emerge as a dynamic, thriving metropolis once again, but the unprecedented scope of the current crisis still leaves essential questions unanswered — how long will the downturn last and how long will it take to recover, who will benefit and who will be left behind, and what type of place will the region become?

To sort out what's likely from what's speculative, and which actions are most urgent from those that can wait, it's important to avoid falling into a few common traps:

○ Mistaking short-term disruptions for new paradigms

Just as it was wrong to assume that firms would leave Lower Manhattan after 9/11 or that Hurricane Sandy would weaken demand to live on the waterfront, it would be a mistake to assume that behavioral responses to COVID-19, from avoiding public

transit to buying homes in the suburbs, will continue after effective vaccines and treatments have the virus under control. The most likely changes will be those that demonstrate better ways of doing things or reinforce existing trends, such as telemedicine or working more from home.

○ **Thinking of the city and suburbs as a zero-sum game**

If the COVID-19 epidemic has proven anything, it's that the fates of New York City and the cities, towns, and villages in northern New Jersey, Long Island, the Mid-Hudson Valley, and Connecticut are intertwined. Other parts of the region quickly joined New York City and Westchester as the epicenter of the pandemic, and coordinated regional efforts were essential to flattening the infection curve and reopening the economy. While there are real fiscal implications when people or businesses leave the city for the suburbs, in the long run their economies are interdependent. 22% of the income of non-New York City residents is earned within the five boroughs, and 27% of the city's college-educated workforce resides outside its boundaries.⁸ These generate spending, jobs, and business opportunities throughout the region, and help attract global companies with one of the largest and most diverse and talented workforces in the world.

○ **Confusing national and global trends with what is unique to New York**

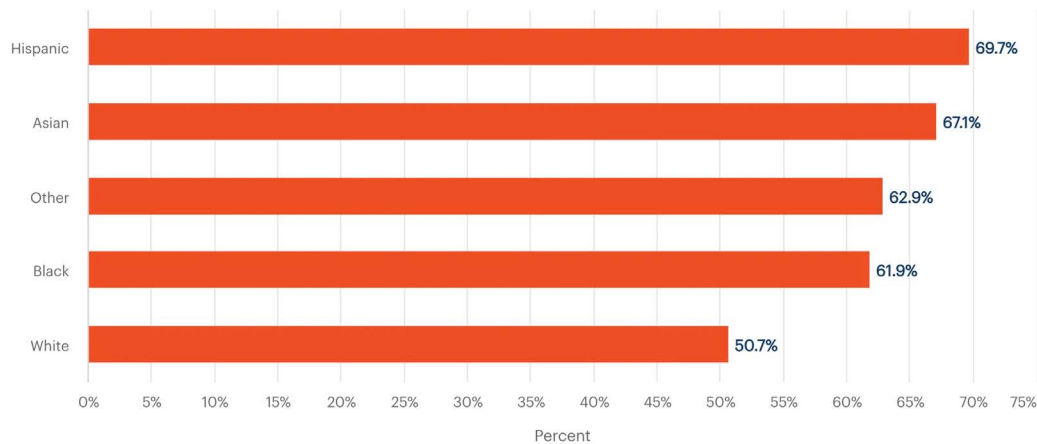
The global reach of the pandemic and the shifting geography of hot spots can make it difficult to differentiate between effects that can strike anywhere and those that can be attributed to New York's unique characteristics. Many of the initial assumptions about COVID-19's link to density and transit use are proving false, and much of the higher economic pain felt in the region may be attributable to its early devastation in the pandemic's first wave when less was known about how to track, mitigate, and treat the illness.

○ **Assuming a rising tide will lift all boats**

Due to structural inequalities, people of color, low-wage workers, and less educated households are usually the first to suffer and the last to recover from economic downturns. This is especially true for this pandemic-induced recession that has been much worse for Blacks, Latinx, low-wage essential workers, and those without health insurance or savings. Incomes and employment will remain depressed far longer for these residents than for others without intentional policies to restore their incomes and improve access to emerging job and business opportunities.

Employment income loss by race

Percent of people in the NY metro region in households that have lost employment income since March 13, 2020



US Census Household Pulse Survey, July 16-21, 2020

○ Recreating the past instead of envisioning the future

While we can't fully know what behavioral changes will be permanent, what new industries might emerge, or how the nature of work will evolve, we know that the next economy will be different. It's critical to help as many businesses survive as possible, but it's also important to create an environment that supports innovation and the growth of new businesses. Investments in infrastructure and the public realm should likewise have the flexibility to adapt to new patterns of living, working, and traveling.

Sorting Fact from Fiction: What the Evidence Tells Us So Far

COVID-19 has compressed dramatic changes in behavior into a very short period of time. These changes, along with the stark differences in health and economic outcomes for different populations, have pulled the curtain back from inequities and inefficiencies that have long existed. Many improvisations born of necessity have demonstrated better ways of working, learning, and living that will continue long after the pandemic is over.

Which changes endure, and how they will affect the New York metropolitan region's future health, prosperity, equity, and sustainability, will depend to a large extent on how long it takes to end the threat of infection with effective vaccines. The longer the pandemic and depressed economic conditions continue, the more likely it is that new behaviors will become hard-wired and damage to households, businesses, and public assets will be harder to reverse. Policy choices at all levels of government will either mitigate or reinforce these changes, and either improve or damage the region's long-term prospects.



The biggest dangers to New York are not intrinsic to its dense urban form, its mix of industries, or its unique place in the global economy. Rather, the greatest risk is that deterioration in human potential, fiscal conditions, and infrastructure will cause long-lasting damage.



The jury is still out on many questions, but a growing body of evidence and some historical perspective shed light on which fears are misplaced or exaggerated, and which require either immediate attention or continued vigilance.

***** DENSITY VS. CROWDING




Urban density does not spread the coronavirus, and brings a range of health benefits.

Numerous studies have found that early assumptions that the density of New York and other large cities caused high rates of COVID-19 were incorrect. A May 2020 report by the Citizens Housing and Planning Council demonstrated that the most common

definition of density — number of people per square mile — had no relationship to coronavirus hotspots. Many dense cities had much lower rates of COVID-19 than New York City, and the city's densest neighborhoods had some of the lowest rates in the region.⁹

A more comprehensive national study found that large metropolitan areas had higher rates of both infection and mortality, but county density was not significantly related to infection rates and in fact predicted lower mortality rates, possibly due to better health care systems. The more likely cause of the higher rates in large metros is the high connectivity that these areas provide, creating more opportunities to come in close contact with others.¹⁰ Since these studies were completed, COVID-19 has been reduced to low levels in New York while spreading to other parts of the United States, which would likely result in even stronger findings.



Where COVID-19 does spread are places where there is close indoor contact with large numbers of people, unmitigated by mask wearing and social distancing. These conditions can exist in bars, restaurants, churches, factories, sporting events, and other activities that can be in urban or non-urban settings.

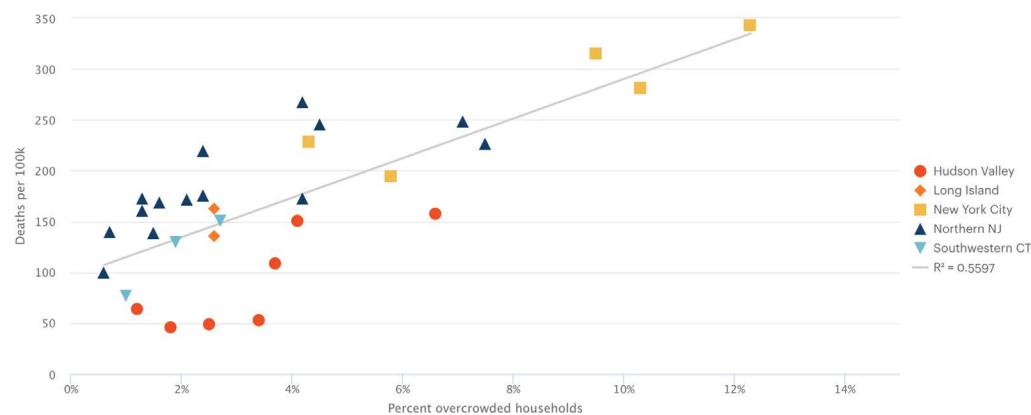
And COVID-19 mortality is clearly related to factors associated with poverty and pre-existing health disparities. The high prevalence of COVID-19 deaths among Blacks,

Latinx, and Native Americans is well documented. Living in overcrowded housing shows a strong relationship in both national and regional data.^{11 12}

An analysis of New York City's five boroughs identified strong relationships between housing precarity (defined as eviction rates, rent burden, and crowding) and vulnerability to COVID-19. This research adds evidence that urban density is not necessarily a vector for COVID-19. Instead, housing conditions drive many health outcomes, with poor and insecure housing causing many of the underlying conditions that increase vulnerability to the virus.¹³

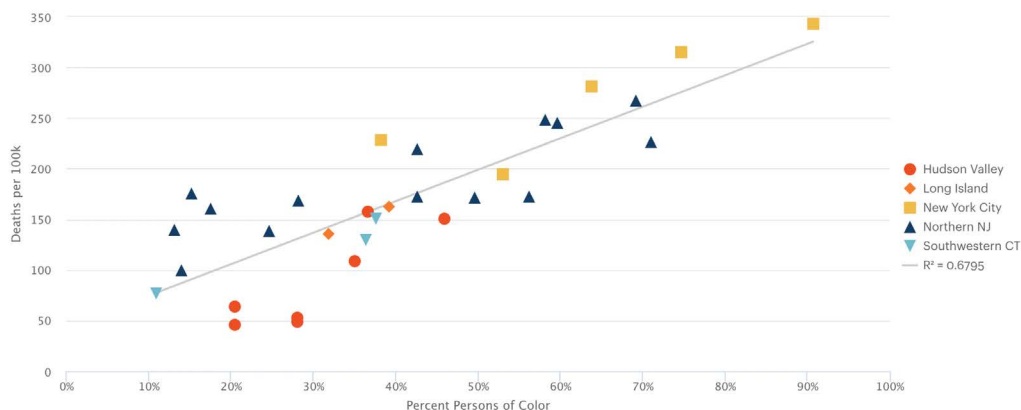
While overall COVID-19 cases and deaths have decreased since early April, the correlations between deaths, race/ethnicity, and crowded living quarters increased in proportion over time, reaching their peak in June. As the virus has continued to spread and impact communities that are not especially socially vulnerable, these correlations decreased slightly but still remain higher than other social factors.

Cumulative COVID-19 Deaths and Overcrowding by County



Based on cumulative COVID-19 deaths as of September 16, 2020, from state and local health agencies via USA FACTS; and U.S. Census American Communities Survey, 2014-2018

Cumulative COVID-19 Deaths and Percent Persons of Color by County



Based on cumulative COVID-19 deaths as of September 16, 2020, from state and local health agencies via USA FACTS; and U.S. Census American Communities Survey, 2014-2018

COVID-19 and Social Vulnerabilities in the Tri-State Region

April 8, 2020



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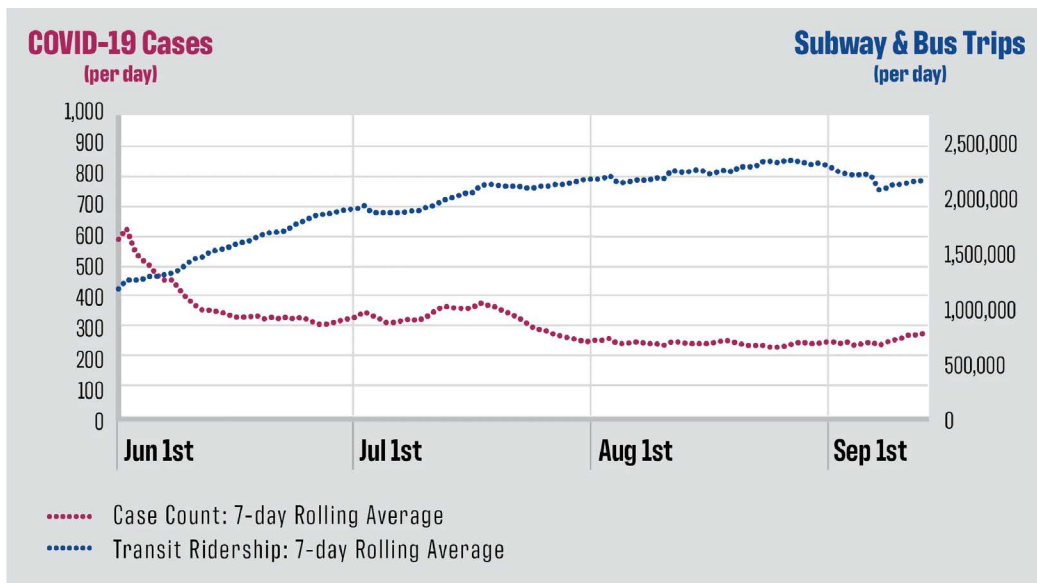
Any assessment of the impact of residential density on health must also consider the health benefits of cities and transit-oriented settlement patterns: less pollution and greenhouse gas emissions from cars, fewer car crashes, more walking, and better access to health care services, as well as jobs and education that can improve incomes and health outcomes.¹⁴

..... PUBLIC HEALTH AND PUBLIC TRANSIT



There is no evidence to date that public transit spreads the coronavirus.

As with residential density, early assumptions that the disease is spread by riding subways, buses, and commuter trains have proved unfounded. In cities around the world, many with much higher levels of transit ridership than New York, no outbreaks of COVID-19 have been traced to transit use.^{15, 16} Transit agencies, including the Metropolitan Transportation Authority in New York, have implemented comprehensive health and safety measures, including improved cleaning using new UV light methods, disinfecting and ventilation, mask requirements, and other practices that have greatly reduced risks of transmission.¹⁷



DATA SOURCES: Case Counts, NYC Department of Health (shown for NYC residents only). Transit Ridership, MTA.

Chart and analysis by Sam Schwartz Engineering, Public Transit and COVID-19 Pandemic: Global Research and Best Practices. (Updated September 2020)

No Correlation Between Public Transit Use, COVID-19 Cases

From June 1 to September 12, more than 212 million rides were taken on subways and buses in New York City. Average case counts dropped from 623 per day to 273 per day. Positivity rates dropped from 3.3% to 1.5%. ¹⁸

In New York City, ridership on the subway and buses has begun to rebound from initial ridership drops of 93% and 85% respectively. Since June 1, the number of transit riders nearly doubled. Yet, rather than rising with increased transit ridership, rising positive test rates for COVID-19 have dropped by more than half.

This trend has likewise held in transit-dependent cities around the world, such as Hong Kong, Paris, Tokyo, Seoul, and Vienna, where infection rates have remained low or fallen, even as transit ridership has rebounded dramatically. And in some American cities, including San Francisco, Austin, Columbus, and Salt Lake City, transit ridership has remained steady while COVID-19 infection rates have significantly increased. ¹⁹



Marc A. Hermann / MTA New York City Transit

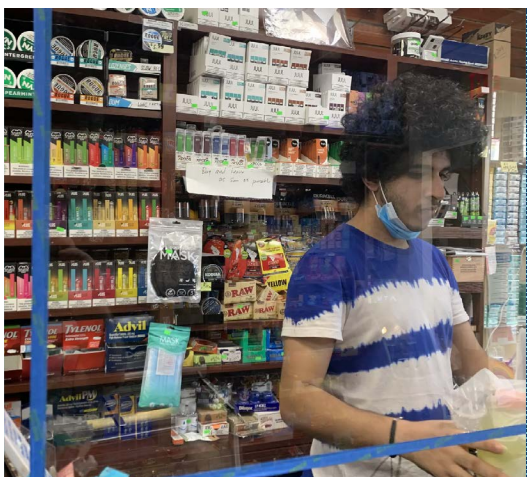
Safe Public Transit

There are a number of reasons why we could expect public transit to be safer than other modes of transportation. The relatively short duration of the average transit trip in comparison with air travel or intercity travel reduces the risk of transmission, as does the lack of talking between riders and how well-ventilated trains and buses are, which compares favorably to riskier activities such as indoor dining. Most importantly though, the strict implementation of mask mandates, both for transit and other activities, has consistently shown clear benefits in battling COVID-19 in cities around the world.

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Transit ridership can be expected to rebound once the pandemic is over. A survey by Tri-State Transportation Campaign found that 2% of regular transit users who are not taking transit now will return once COVID-19 has passed.²¹ There are still open questions as to whether transmission rates will increase when trains and buses become crowded, and whether heightened health and safety concerns will continue to dampen transit use indefinitely. These risks can be minimized with continued safety measures and good communication with the public.

UNEQUAL IMPACTS

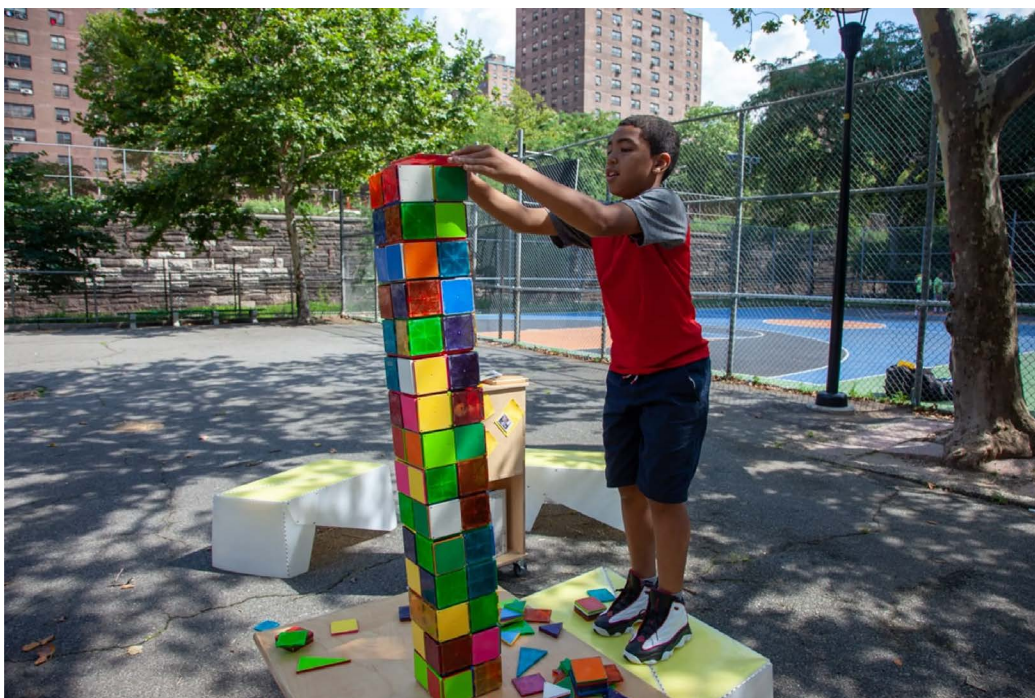


The disparate health, economic, and education impacts of the pandemic on the poor and people of color are becoming starker as the crisis continues.

Before the crisis, the region was seeing the compounding impacts of economic and health inequality in low-income communities of color. In 2016, RPA's *State of the Region's Health* report found that immigrant communities identified the cost burdens of healthcare as rivaling those of housing.²² The United Way has been reporting on ALICE (Asset Limited, Income Constrained, Employed) households and found that a third of households in the region were struggling to meet a minimum healthcare budget necessary for economic survival before COVID-19 hit, with communities of color facing even greater hardships.²³

Early on, the Economic Policy Institute found that less than one in five Black workers and less than one in six Latinx workers have been able to work remotely. Also, less than 10% of low-wage workers have this flexibility, compared with over 60% of high-wage workers.²⁴ The inability to socially distance at many public-facing jobs along with prevalent comorbidities was a major factor that led to high mortality rates for people of color. This also highlights that as we start to open up the economy, the same vulnerable groups may bear the brunt of new COVID-19 spikes.

In New York City, 40% or 3.4 million residents lack adequate broadband access,²⁵ and competing needs at home due to school closures continue to exacerbate inequalities and raise fears of a generation that may permanently lag in educational attainment, potentially cementing further intergenerational inequities. Nationally, 14% more Blacks and 21% more Latinx have canceled education plans compared to whites and Asians.²⁶



Streetlab

Smaller, More Crowded Parks

Low-income communities of color also have less access to parks and open space. Parks in low-income communities are four times smaller and more crowded than parks in high-income communities, and parks for communities of color are half the size and five times as crowded as parks that are located in majority white communities.²⁷

Low-income communities of color face more exposure to environmental hazards as well. Nationally, the New York metropolitan area has the widest disparity between low-income communities of color and high-income white communities in terms of average exposure to nitrogen dioxide, an air pollutant emitted by cars and industries.²⁸ These factors not only contribute to high rates of respiratory disease and other pre-existing conditions that increase the risk to COVID-19, they also deny the many health benefits of parks and open space, from clean air to reduced stress, to residents of these communities when so many activities are restricted during the pandemic.^{29, 30, 31}

These effects have accumulated and exacerbated pre-existing inequities. A national survey and report by the Commonwealth Fund shows how pervasive the impacts are six months into the crisis:³²

- **7 million** more adults are suffering from food insecurity compared with before the pandemic.

- **More than half** of Latinx respondents and nearly half of Black respondents reported facing economic hardship due to the pandemic, compared to 21% of white respondents.
- **40%** of Latinx respondents, 39% of Black respondents, and 44% of people with below average incomes experienced mental health concerns related to the pandemic, much more than whites or those with above average incomes.

The national scope of these and other findings show that these impacts are not unique to the New York region.

PUBLIC SPACE



Street Lab

The pandemic has demonstrated the health and climate benefits of reduced auto congestion and the reuse of streets and public space.

As a result of the March stay-at-home orders, personal, public, and professional vehicle use dramatically declined to 50% of its usual level.³⁵ Some of the most dramatic images from the height of the quarantine were of empty streets and thoroughfares of a city once teeming with cars, taxi cabs, trucks, and buses.

With fewer cars and trucks on the road and airplanes in the sky, levels of health-damaging air pollutants decreased by as much as 46% for nitrogen dioxide, 50% for carbon monoxide, and 20% for PM_{2.5} (fine particulate matter).^{34, 35, 36} The most traditionally congested areas of the city, such as midtown Manhattan, saw greater decreases in levels of PM_{2.5} and nitrogen dioxide when compared to less congested areas in the outer boroughs.³⁷



Rhododendrites

Whose Streets? Our Streets!

With approximately 6,000 miles of street space in the city, this suddenly empty space did not stay vacant for long. Cycling and other micro-mobility usage surged, walking was no longer confined to narrow sidewalks, safe access to parks opened up, and gatherings, and later protests, brought new spirit to the chant, “Whose streets? Our streets!” More recently, streets have become an essential lifeline to the city’s struggling restaurants and now public schools, providing new and necessary space to safely accommodate people. With reduced car usage, city residents discovered that there was considerably more public space than they had realized.

Air quality improvements are especially pertinent as these pollutants are responsible for causing or worsening respiratory illnesses such as asthma and lung disease, pre-existing conditions that have been linked to higher death rates from COVID-19 and which are more prevalent in low-income communities and communities of color.³⁸ A working paper published by the National Bureau of Economic Research estimates that pollution reductions as a result of the quarantine have resulted in a 25% drop in deaths nationally each month from respiratory illnesses like asthma and heart disease.³⁹

Greenhouse gas emissions also declined as a result of quarantine directives. Globally daily greenhouse gas emissions were found to have dropped by 17% compared to last year during peak COVID-19 lockdowns in April, with nearly half attributed to changes in surface transportation.⁴⁰ Researchers from Columbia University’s Earth Institute

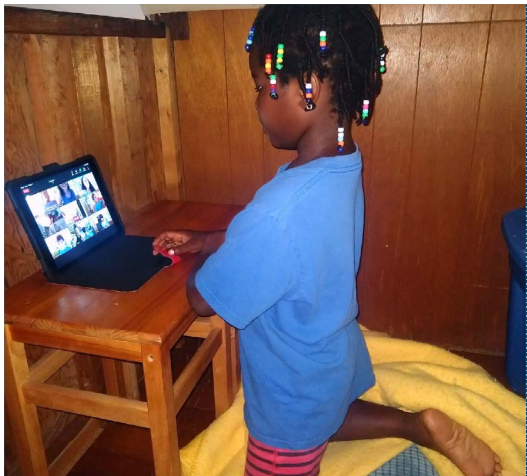
found 10% drops in carbon dioxide and methane locally at a monitoring site in Harlem.

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The improved air quality and decline in greenhouse gas emissions only came about because of a dramatic pause to economic and daily life activities that was necessary to prevent even more suffering, illness, and death. As economic activity continues to ramp up, and trepidation about using public transit lingers, auto use is on the rise — returning to just about where it left off pre-quarantine — along with higher levels of pollutants and greenhouse gas emissions. Already by early June, global greenhouse gas emissions had risen back to within 5% of 2019 levels while overall greenhouse gas concentrations in the atmosphere continue to increase to new records. Nitrogen dioxide levels measured by the New York City Department of Health have already returned to 2019 levels.⁴²

While quarantine actions were temporary and came at great cost, the pause in activity has given New York City a glimpse of what could be possible with more public space for community activities, more space on city streets dedicated to non-auto uses, greater management of congestion and auto usage, and a speedy transition to cleaner vehicles.

..... VIRTUAL WORK AND EDUCATION



The long-term impacts from increased working and learning from home are still unclear, and could both challenge and benefit the region's economic competitiveness.

One of the most far-reaching and disruptive changes brought about by the pandemic is the acceleration of pre-existing trends for virtual work, education, and services. Remote interactions for office work, school, and many forms of medical care, commerce, and entertainment have demonstrated efficiencies and quality of life improvements that will continue past the pandemic.

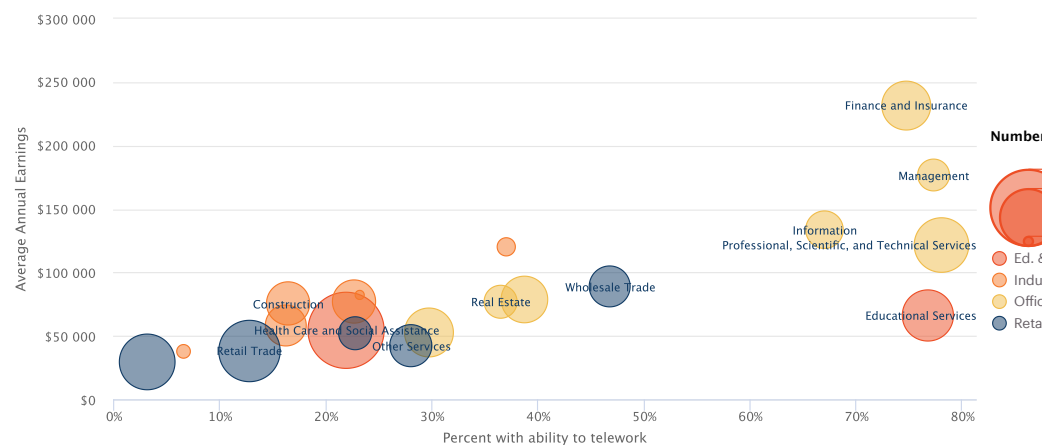
The immediate impacts are greatest for small businesses that depend on a flow of commuters and foot traffic, and families trying to navigate disruptions to school and home life. Until schools are open full time or families have more government support, households lacking economic, social, and technological resources will continue to struggle. This has the potential to lead to longer term implications and inequality, especially for young people.

Workers in higher-paid industries are more likely to be able to work from home.

There will be no return to pre-COVID work and commutation patterns, but how much people will continue to undertake work and other activities from home is hotly debated. Some sectors are clearly more amenable to working from home than others, with as many as 75% of finance workers able to work remotely, but only 13% of retail workers.

Ability to telework and average annual earnings, by industry

NY-NJ-CT Region



Bureau of Labor Statistics, Quarterly Census of Employment & Wages, 2019; Dingel & Neiman, 2020

Surveys show some seemingly contradictory results on how much people would like to continue working remotely. A May 2020 online survey by The Harris Poll for Zillow found that 75% of Americans working from home would prefer to continue working at least half their hours from home after workplaces reopen.⁴³ By contrast, an online survey by Gensler around the same time found that only 30% would want to work more than two days per week from home, and that only 12% wanted to work from home full-time. Different samples, questions, and methodologies account for some of the difference, but details from the Gensler survey, which focused more on the work experience, paint a nuanced picture of worker preferences. While 44% of respondents said they wanted to work no days from home, 26% wanted to work one to two days from home, 18% three to four days, and 12% five days. Younger workers were more likely

to find it difficult to work from home, and most workers wanted changes that would improve the health environment of the workplace and provide greater flexibility in work hours.⁴⁴



Challenges for Caregivers

COVID-19 has illuminated inequalities in education and lack of societal support for families and caregivers. Many caregivers have lost employment or housing. Some have had to work outside the home while their children remain at home without supervision. For those who are employed and are able to work from home, managing remote school, meals, and children's mental and physical well-being has created a whole new set of challenges.

There is no question that people will work, learn, and purchase goods in different ways than they did prior to the pandemic, with more activities undertaken from home. Countervailing forces also exist and will limit the extent of this trend. Many activities simply require in-person contact, from getting a haircut, to repairing a kitchen sink, to attending an after-school soccer league, and there is a wealth of research showing the importance of social interactions and physical space to productivity, creativity, and mental health.

Many workers, particularly younger ones, find remote work isolating and fear the loss of promotion, mentoring, and networking opportunities. Ultimately, employers will make decisions based on productivity and cost as well as worker satisfaction. The most

common response may be a hybrid model that combines work from home and the workplace, a trend that was already underway before the pandemic.⁴⁵

For the New York region, this presents both major challenges and potential benefits. Most obvious is the impact of fewer daily office workers in Manhattan and other downtowns and the ripple effects that this has on commercial real estate, tax revenues, and the thousands of restaurant, retail and service workers, and small business owners who earn a living from the army of office workers.⁴⁶

Paradoxically, a reduced flow of commuters could also make New York a more desirable place to live and work by relieving the city of one of its long-standing liabilities — the long, crushing rush hour commute that stresses workers and visitors and overtaxes streets, sidewalks, and other transportation infrastructure. The challenge will be to maintain the quality and frequency of service that are needed to make the region more livable, fair, and efficient with different and possibly lower levels of ridership.

CRIME



Gun crimes have increased but remain historically low, and other crimes continue to decline.

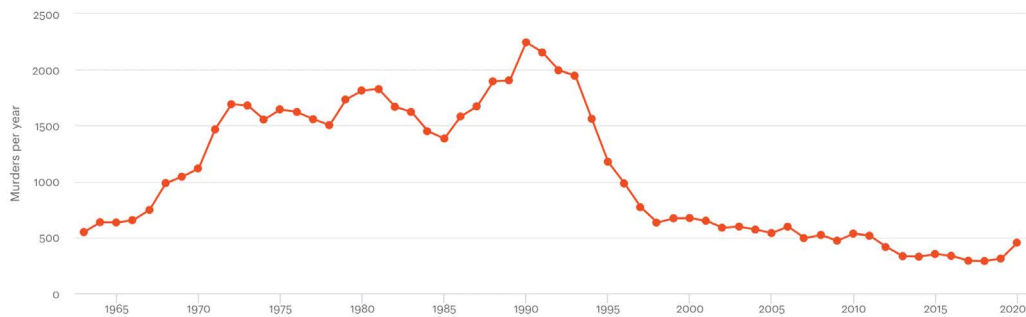
A summer surge in gun crimes has triggered fears that New York and other cities could be headed into a period of rising crime not seen since the 1980s. From May to August 2020, there were 791 shootings in New York City, a 140% increase over the same period in 2019.^{47, 48, 49} Murders in the same period increased by 51% to 180. Multiple possible explanations have been cited for the increase, including the sudden economic downturn, multiple stresses stemming from the pandemic and lockdowns, protests against police brutality, budget cuts to both police and social programs, and accusations of a work slowdown by police.⁵⁰

Determining what causes spikes and declines in certain types of crime is complicated in the best of circumstances, and criminologists and other experts agree that it is too soon to pinpoint what's behind the current surge and whether it will continue. Even if it

proves temporary, the numbers are worrisome and reinforce the narrative of a city in decline.

The increase in gun crime needs to be taken seriously and brought to a halt, but it's important to keep it in perspective. Crime rates overall remain at historic lows and have not increased from 2019. In June, July, and August, crimes for the seven major felony categories were down 3.6% overall from the previous summer.^{51, 52, 53} This is not just driven by nonviolent crime: rape, robbery, and felony assault were all down from the summer of 2019. In addition, the percentage increases in gun crimes are so large because the baseline numbers are so low. Murders and other violent crime have declined drastically from their peak in 1990.

Murders in New York City, 1963-2020

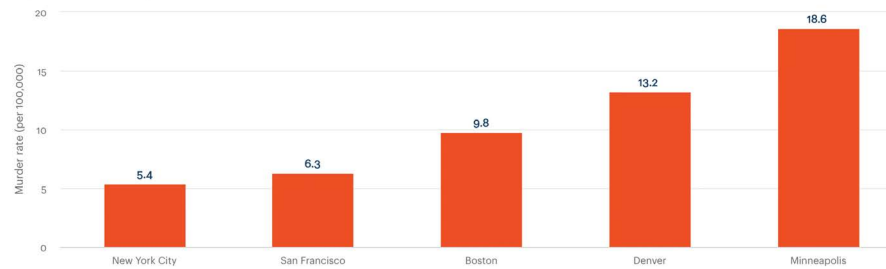


Sources: FBI Uniform Crime Reporting statistics and NYPD Compstat. Note: 2020 murders are projected based on data from January-September.

The 305 murders committed so far in 2020 are a fraction of the 2,262 murders committed in 1990. New York remains an incredibly safe city by any and all standards.

Murder Rates in Five American Cities

Projected murder rates, 2020



Sources: FBI Uniform Crime Reporting statistics and NYPD Compstat

New York has a Lower Murder Rate than Other Cities

While the recent bump in murders is concerning, New York City is still on pace for a murder rate that is less than San Francisco's and Boston's, less than half of Denver's, and less than one-third of Minneapolis's.^{54, 55, 56, 57}

It is also important to recognize that a troubled economy does not always correlate with rising crime, as evidenced by at or declining crime during the Great Recession, the post-9/11 recession, and the early 1990s recession. New York's era of rising crime began during the relatively prosperous times of the late 1960s, and experienced a sharp increase during the economic boom of the mid-to-late 1980s.

The causes for the sharp run-up in crime in the 1970s, and corresponding decline in the 1990s, have been hotly debated. But public safety improvements put in place over the last 30 years, particularly the CompStat program begun in 1994 and that some credit as the most effective reform, should provide more effective methods for countering any uptick. Heightened attention around police reform and a healthy debate on how to reduce racial disparities and all forms of violence could make the city even safer in years to come.⁵⁸

OUTMIGRATION

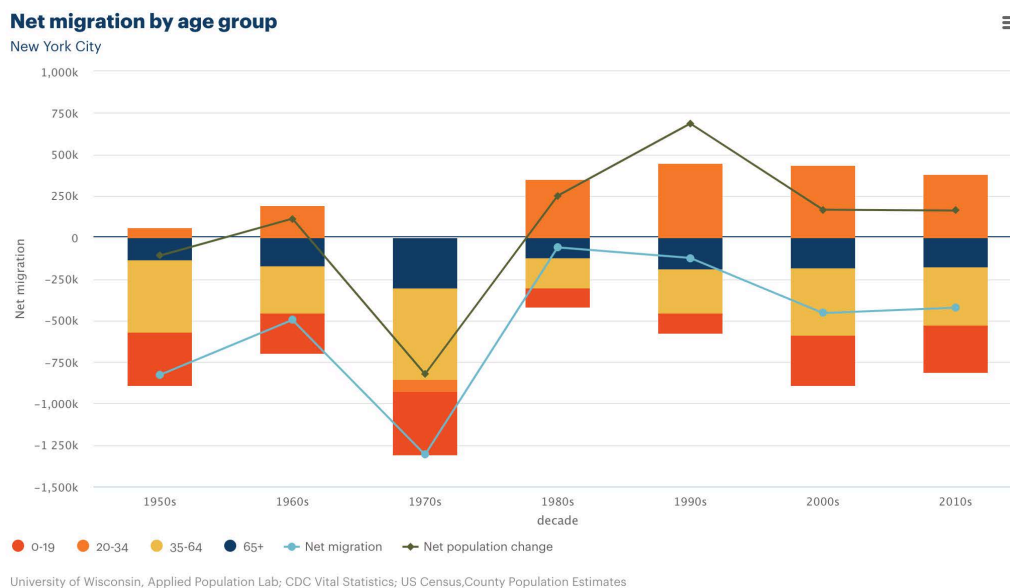


The recent surge in people moving out of New York City is driven by a combination of temporary and potentially longer-term forces that are different from past periods of urban flight.

Few responses to the pandemic stir as much passion as stories of New York City families packing up and moving to the suburbs or beyond. Stories of Manhattan and Brooklyn neighborhoods emptying out and of surging demand for suburban homes have many thinking that we are facing an era of decentralization similar to the decades following World War II. While the risk of long-term population decline in New York City is real, the recent surge overstates the this risk. Much of the current relocation is temporary, a lot is driven by cost differences that are likely to narrow, and the ability and desire to work from anywhere is limited. Nor would an exodus from New York City necessarily benefit the suburbs and smaller cities within the metropolitan area.

Immigration policies could have an even greater impact on the population growth than these factors in the long run. Without new immigrants, population in New York City would have declined over the last 50 years, and the region’s economic resurgence would not have occurred. More restrictive national immigration policies would make it far more difficult for New York to come back and adapt to the post-COVID economy.

For perspective, it’s useful to review who has moved in and out of New York City since 1950. The chart below shows net migration — the number of people moving into New York City minus the number moving out. When natural increase from births and deaths are included, the city’s population grew or remained stable in every decade except the 1970s.



Throughout this history, young adults have migrated to New York City, while in older age groups more people moved out than in. To reach the level of the 1970s, net outmigration would need to more than double what it was in either the 2000s or 2010s. It's worth noting that the outmigration that many feared in the 1990s as a result of technology and crime never materialized. In fact, the city was about to enter a period of urban revival, recentralization, and growth.



Liberty Moving and Storage

Leaving the City?

The current wave of people leaving New York City essentially boils down to three causes: the disruptions caused by the pandemic, the high costs of living in the city, and employers' willingness to let people work from home. The first is likely temporary, while the other two are rooted in pre-existing conditions and have limits to how many people they are likely to affect in the long term. All must be weighed against the reasons that New York and other cities have always attracted people seeking opportunity, particularly over the last two decades.

COVID-19 fears, whether of the disease itself or the difficulty of living in a city under lockdown, certainly fueled the 5% decline in the number of New York City residents between March 1 and May 1. Most of this was concentrated in the wealthiest parts of the city, where many had second homes and jobs that allowed them to work remotely.⁵⁹ July home sales were 44% higher in the counties surrounding New York City than they were in 2019, while sales in Manhattan declined by 56%.⁶⁰ Besides the fear of the virus and the disruptions of the lockdown among city dwellers, the increase in suburban

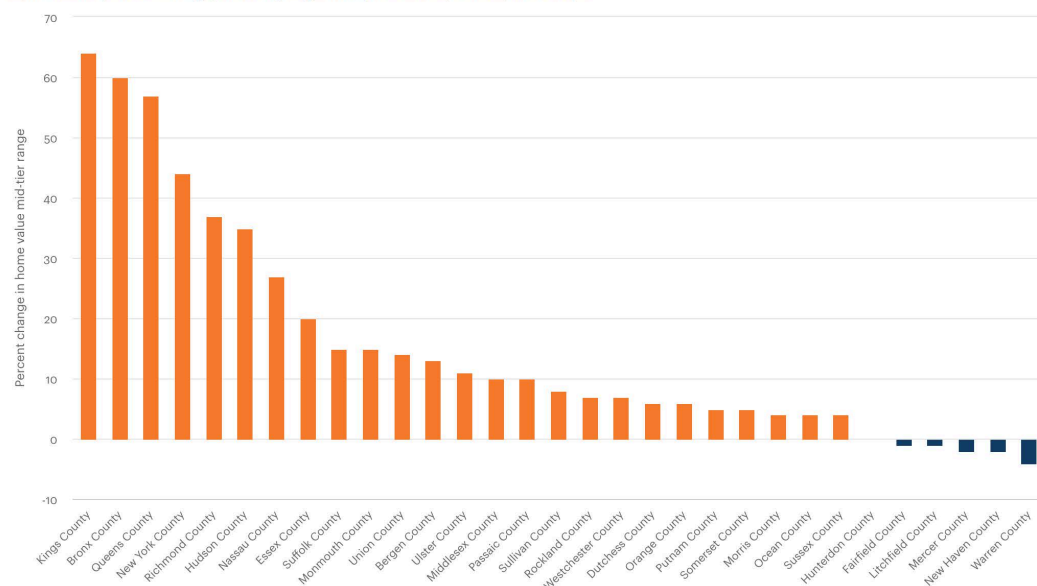
housing prices appears to be driven by pent up demand following the spring lockdowns, a lack of inventory, and the result of a huge price differential between New York City and other areas following a decade of skyrocketing housing costs in the city.⁶¹

Much of this is likely temporary, and trends have to be inferred from real estate listings, vacancy rates, home prices, and survey data that make it difficult to differentiate short-term from long-term moves or how intentions will translate into actions. Early data showed only a modest increase in people in the New York region looking to move, and most of the increase was due to people looking for homes in other parts of the U.S. rather than in the suburbs or rural areas.⁶² In fact, there are now indications that people are already returning to the city.^{63, 64}

Once effective vaccines or treatments allow schools, medical offices, restaurants, museums, stores, and entertainment venues to return to normal operations, many of the current motivations will be gone. If history is any guide, it's unlikely that fears of new pandemics will keep people from living in the city. Any long-term increase in outmigration would more likely come from high costs relative to other places or a deterioration in quality of life driven by fiscal austerity.

Change in Home Value by County, June 2010 - June 2020

Seasonally adjusted measure of the typical home value and market changes across the region. It reflects the typical value for homes in the 35th to 65th national percentile range, including single family residences, condos, and co-ops.



Source: Zillow Home Value Index (ZHVI)

In fact, the pendulum had already started to shift before COVID-19. After adding 1.4 million people between 1980 and 2016, New York City's population began to decline in

2017.⁶⁵ Much if not most of the pivot is due to the escalating cost of housing relative to other places. From 2010 to 2020, the typical home value increased by 64% in Brooklyn, 60% in the Bronx, 57% in Queens, and 44% Manhattan. By contrast, prices only increased by 27% in Nassau, 13% in Bergen, and 7% in Westchester, and actually declined in some outer counties.⁶⁶ Some rebalancing was inevitable, and COVID-19 likely accelerated those trends.⁶⁷

If home prices and rents continue to rise outside of New York City, and if they decline within the five boroughs, then a narrowing difference in housing costs should reduce some of the incentive to move out. Unlike the 1970s or 1980s, there is far less housing being built in the suburbs to accommodate demand. And the housing that is being built is not the single-family homes that are the focus of most news reports and bidding wars.

The experience of remote work and learning during the pandemic is likely to leave a lasting imprint and give more people flexibility in where to live. As described above, this may be less of a revolution than it appears now, and most workers will still need or want to be in the office at least part of the work week. They will also still want to be close to urban amenities and walkable downtowns. This argues for greater demand for housing in smaller cities and transit-oriented towns and villages that are still within a reasonable distance from Manhattan. In the long run, this could benefit both New York City and the region as a whole, keeping jobs and economic activity within the region, relieving pressure on the city's housing market (as long as homes in Manhattan are put back on the market and not kept as pied-a-terres), and putting less strain on the transportation network.

This prospect for a beneficial rebalancing of population and jobs within the region, however, depends on investments and policies that are not currently in place. Unless enough housing is created in places where people want to live at prices that they can afford, and unless the transportation system supports new patterns of commutation, both people and jobs could leave the region altogether. And with the region as a whole and New York City in particular grappling with plunging tax revenues and fiscal austerity, the immediate challenge is to maintain existing services and infrastructure.

***** KEEPING THE LIGHTS ON



Plunging tax revenue will force difficult budget decisions at both the city and state levels.

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Well before COVID-19, New York City and all three states in the region had shown signs of strain on their public services and infrastructure, from a subway system that ~~w~~ have struggled to maintain and expand, to the failure to follow other cities in modernizing things like waste pickup, alternative transportation infrastructure, and energy systems. COVID-19 has now both exposed and exacerbated this strain. This analysis focuses on New York City, where the compound effects of COVID-19 related health costs, transit shortfalls, and the impact of the shutdown on office industries and small businesses are most severe.

It is important to note that there have also been recent successes, and this shows that it is possible for New York City to provide new and robust public services and infrastructure. Universal Pre-K, a huge new public service provision, was put in place smoothly and successfully.⁶⁸ The city's most needed infrastructure project, the third water tunnel, is now largely complete. For almost 20 years, New York City has consistently hit its goals for creating or preserving affordable housing, averaging more than 20,000 units a year.^{69, 70} Bus riders are enjoying quicker rides along new busways free of vehicle traffic, the MTA successfully rehabilitated and installed wi-fi within the L Train tunnel, and the ongoing installation of a contactless fare payment system for the subways, One Metro New York, is proceeding on schedule.

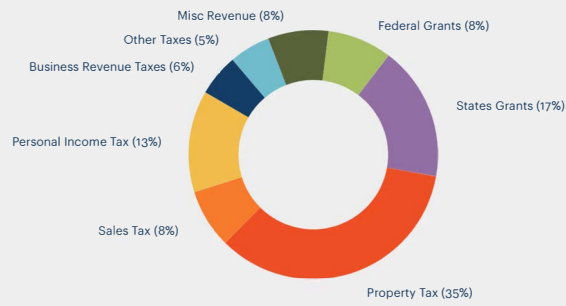
The key to preventing the recession from being a tipping point is maintaining an adequate operations and capital budget through this crisis. The Independent Budget Office currently estimates a \$4.5 billion budget gap for Fiscal Year 2022.⁷¹ Municipal layoffs are a distinct possibility, with agencies already directed to prepare significant budget cutting plans. The possibility of federal aid is uncertain. It is clear we will have to do more with less for a period of time. The question is if this period of time will be short enough that we can avoid a spiral of decline.

Once infrastructure and public services have started to decline, the effect grows exponentially, both in terms of cost and effect on the city. Most famously, deferred maintenance on the East River bridges during the 1970s led to emergency shutdowns in the 1980s and decades of costly repair plans, which were largely possible only because the

federal government agreed to fund bridge maintenance in 1996. Beyond added costs, a deteriorated city is not one that is easily able to attract the jobs and people necessary to expand the economy and tax base needed to repair itself. Badly maintained infrastructure also has a spiraling effect on the overall economy. For instance, in 2017, the Independent Budget Office estimated that transit delays accounted for a loss of \$307 million each year in lost work time.⁷²

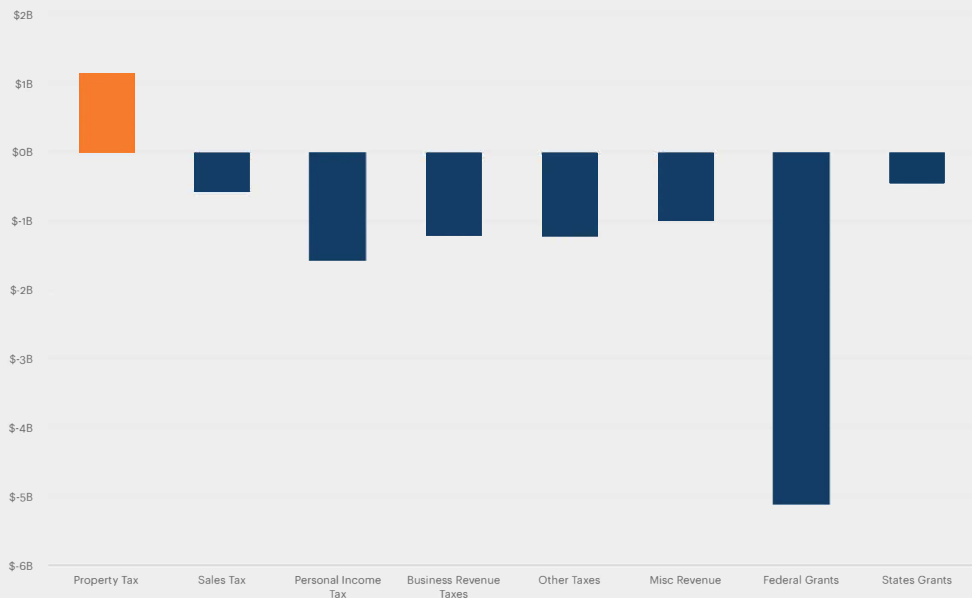
The responsibility for maintaining a working and livable New York goes far beyond the state of the municipal budget. Many agencies responsible for huge parts of how the region operates, most notably the MTA, are not under city control. In addition, many sources of revenue ultimately come from the federal or state governments, leaving all sectors of the government responsible.

New York City FY2021 Revenue Budget



Source: The City of New York Adopted Budget Fiscal Year 2021, Expense Revenue Contract

Change in New York City Revenue, FY2020 - FY2021



Source: The City of New York Adopted Budget Fiscal Year 2021, Expense Revenue Contract

How the Crisis Could Affect New York City's Sources of Revenue

Much more than other cities, New York City's municipal budget is reliant on taxes which reflect the state of the local economy, namely local income, sales, and business revenue taxes, which account for over 25% of the revenue budget. Together, these revenue sources are projected to decline over 12% in FY 2021, and account for much of the decline in tax revenues.⁷³ While New York State income tax is effectively collected from anyone with a job or residence in New York State, New York City income tax is reliant on individuals being "domiciled" in the city. While some might worry about high earners simply avoiding New York City income tax by spending much of 2020 out of the city, leaving New York City for tax purposes is much more difficult than choosing to simply spend the majority of the year elsewhere, and essentially requires demonstrating a complete severance of ties. However, if the city does not remain stable and well-run in the long-term, it risks population decline across all segments of the population, with resulting declines in revenues and economic activity. In addition to income tax losses, sales taxes and a variety of other needed revenue

sources will decline as well, leaving it impossible to maintain adequate public services and risking a downward spiral of economic and physical decline.

Property taxes are the only major tax revenue source that New York City has discretion over and can raise without approval from Albany, and are an option that can and have been used to make up other revenue gaps. However, the property tax levy in New York City is dependent on the overall market value of real estate, with the city constitutionally unable to levy more than 2.5% of its five-year average value for operations. For four of the last five years, the city has levied more than 98% of what is constitutionally allowed.⁷⁴ Leaving alone the merits of increasing property taxes to fill the budget gap, a prolonged stagnation or decline in overall property value will leave the city unable to even consider that possibility.

The most informative template for countering our current economic crisis lies in New Deal-era recovery, when a combination of shovel-ready projects (many of which were proposed by RPA's First Regional Plan), good local governance, and federal funding combined to not only help lift the region out of the Great Depression, but also shaped much of the infrastructure we still see in New York today, from consolidating our subway from three systems into one, to constructing our first public housing developments, to building the Triboro Bridge, Flushing-Meadows Park, and New York City's two airports. Outside of New York City, New Deal projects included Newark Liberty International Airport, boardwalk construction, and park improvements, such as Great Swamp National Wildlife Refuge and Palisades Interstate Park in New Jersey,⁷⁵ as well as Merritt Parkway, one of the largest public works projects in Connecticut.⁷⁶

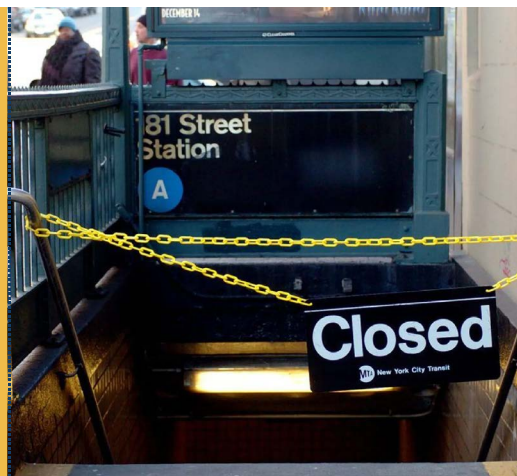
This recovery and the resulting economic expansion were also noteworthy for reducing income inequality and expanding opportunity across the economic spectrum, not just for current residents but also for hundreds of thousands of new arrivals from Puerto Rico, postwar Europe, and the American South. These three factors — robust federal infrastructure funding, shovel-ready projects, and good local governance — can be a template for our current crisis.

Threats to a Robust and Equitable Recovery

Recovery, like the downturn itself, will be shaped first and foremost by the vagaries of the virus and the response to the health crisis. Any worsening of infections will lead to more closures and restrictions, while progress on vaccines and treatments will hasten a return to more normal activities. How well our national, state, and city leaders manage the evolving crisis will either alleviate or exacerbate the damage.

Beside the pandemic itself, the biggest threats that could result in a spiral of decline and widening inequality have little to do with New York's urban character or any inherent susceptibility to this or future pandemics. Rather, they stem from how the damage already inflicted on people, businesses, government, and institutions could become a self-reinforcing cycle without the right policy choices and effective leadership.

The biggest threat is that the fiscal crisis will lead to extensive deterioration of public services and infrastructure, particularly the region's transit system.



Almay

We are currently at a critical point. Things such as the inability to adequately plan for restarting public school or put in place an efficient COVID-19 contact tracing infrastructure are symptoms of this overall declining standard of public services. A normalization of things like rolling blackouts, overflowing trash cans, and uncertain school schedules not only greatly degrades life for everyday New Yorkers, but puts us one more step behind contemporary world cities. If we cannot adequately maintain public services and repair and expand our infrastructure, New York risks losing its place as a preeminent global city.

With the city and all three states in dire fiscal straits, federal assistance will be essential to keeping services and infrastructure from falling into a steep decline. It will also be critical to reduce the costs of delivering and maintaining these over both the short and long-term.⁷⁷ The region has some of the highest costs in the world for building new rail infrastructure, for example. Some progress was underway before the pandemic, but much more can be done.⁷⁸ Other opportunities include giving small businesses more flexibility, in terms of permitting, utilizing street space, and other non-monetary help, in order to innovate and grow the economy.

Even more than other services, public transit faces a financial crisis that could impede the region's recovery and have a disproportionate impact on lower wage workers and low-income individuals who depend on transit to get to essential jobs and services. Continuing sharp revenue losses from declines in ridership and tax-supported revenue could lead to service cuts and deferred maintenance that would lead to a continuous cycle of decline. The MTA in particular is in dire financial shape, predicting a budget shortfall of \$14 billion through the end of 2021 that could force service cuts of 40% on subways and buses, 50% on commuter rail lines, and fare increases of at least a dollar.⁷⁹ New Jersey Transit, PATH, and other transit services face similar shortfalls.

Beyond service cuts and fare increases, if there is no federal intervention or ridership fails to rebound fairly quickly, the MTA will be forced to make other difficult decisions, including adding to their already heavy debt load, laying off workers, or canceling planned capital projects. If the capital projects are cut, that not only puts off badly-needed improvements to the system that had been planned for years, but has compounding economic impacts including lost jobs for workers in the region and manufacturers from across the nation who were set to supply the parts and materials needed to complete the projects.⁸⁰

Widespread evictions and business failures would have ripple effects that would fall heaviest on the poor and make it much harder for the economy to recover.



Almay

The longer the pandemic and economic slowdown goes on, the harder it will be for both businesses and residents to recover economically. Preventing evictions and business failures in the short term will have outsized benefits to our long term recovery.

Every eviction action affects not just the tenant, but all of us. Sheltering people experiencing homelessness is one of the most costly components of the city budget, costing an average of \$91,000 for a family and \$51,000 for a single person.⁸¹ Effects also ripple well beyond the housing market and municipal budget. Eviction is one of the single most stressful events a family can endure, and has demonstrated negative long-term health effects.⁸² The disruption eviction brings also makes it exponentially harder for a person to land a job, start a business, and help with children's education.

Business failures also have a huge effect on the region. Starting a successful business is much more difficult than maintaining one, meaning each business that fails delays our recovery. This means less jobs, which also means increased spending on unemployment benefits and other social services, less economic activity, and less tax revenue. This in turn means less people spending money and more business failures, as well as a deteriorating city less attractive for people and businesses overall. A snowballing cycle of business failures is a significant risk without proper short-term relief during the pandemic.

An erosion of confidence in public safety could lead to further outmigration and wider racial and social divisions.



Both the spike in gun crimes and the visibility of police violence since the spring have raised fears that New York and many other cities are increasingly unsafe. Even though crime remains low historically and in comparison to other cities, the increase is a real and troubling phenomena. And while the numbers do not show an increase in other categories of crime, anecdotal reports reinforce an image of disorder. The disruptions caused by the pandemic and shutdowns only add to a general fear of eroding health and safety.

Likewise, a trusting relationship between New Yorkers and law enforcement is essential to a sense of public safety and the city's recovery. Black and brown New Yorkers have

long not been able to enjoy this same level of trust and public safety as their neighbors, and the protests over the summer have shown us that it is more necessary than ever to move forward on ending police violence and racial inequities in public safety enforcement. Consistent small-scale rulebreaking and abuses of power by police — failure to wear masks, illegal parking, and placard abuse — contribute to this mistrust.

Unless both issues are addressed, the city's hard earned reputation as a safe place to live, work, and visit will erode, likely leading to an increase in outmigration and making it harder to retain and attract jobs and business.

Five Reasons to Bet on the New York Region's Future

Restoring the region's health and economy will require fixing our fundamental shortcomings as well as addressing the enormous challenge of a deep recession fueled by continued uncertainty. It will also require smart policy choices and deft leadership to adapt to the permanent changes that will affect every city and region in the nation, if not the world. While New York has its unique challenges — its complexity, its high costs, the damage inflicted by being the early epicenter of the pandemic — it also has a number of advantages compared to other places.

1. Urban density is still an advantage in the global economy

Throughout history, cities have driven economic growth and reinvented themselves when the times demanded it. Change is often wrenching, and some metropolitan regions adapt better than others, but the agglomeration of people, economic activities, and infrastructure spurs innovation and attracts new residents and businesses. For at least 70 years, global cities have taken in an increasing share of the world's population.⁸³ And over the last 30 years, large metro areas like the New York region have benefited from their concentration of job opportunities, culture and amenities, and the walkable neighborhoods and robust transit networks that they have to cover. Within these regions, the postwar suburbanization trend has been muted or even reversed.

None of these advantages have been erased by the pandemic. To be sure, there are pre-existing problems that were already curtailing New York's remarkable run of economic and population growth: a severe and growing shortage of affordable housing, transportation and other infrastructure systems that are badly in need of investment and modernization, growing inequality that wastes human potential and increases social costs and divisions, and the accelerating pace of climate change that threatens to overwhelm communities and essential infrastructure. COVID-19 exposed underrecognized vulnerabilities, but not ones that are linked to urban density. In fact, the availability of health care, medical facilities, and research capabilities may prove to be an advantage in the long run.

What will change are the ways in which urban density confers its benefits, and the types of activities it favors. Retail and goods delivery were already undergoing a technology-

driven transformation, and the acceleration of remote work during the pandemic will alter the amount, type, and location of office space. The region will need to adapt, but the multiple venues that it can provide for social interactions, collaboration, and access to career opportunities, culture, nature, education, entertainment and different ways of life provide it with the resources to succeed.

2. Diversity and talent still drive economic success

Even as technology has made it easier to locate production and office activities anywhere, jobs and businesses have increasingly congregated where the talent lives. New York's large, diverse, and educated workforce has allowed it to thrive even as its physical assets became less important. Even with more ability to work remotely, most employers will still want to be where they can physically convene employees, customers, and collaborators.

In many ways, it's the *experience* of the city that has been its most important asset — the energy, the mix of people and neighborhoods, history, inspiring buildings, and attractive public spaces. This should continue to attract people from all walks of life, but makes it even more critical to make New York more livable and affordable for everyone. A range of skills and talent is important to a functioning economy, but even more important is the diversity of cultures and lifestyles that give the city its character.

The city and region have been particularly successful in attracting immigrants, who have been vital to enriching this diversity and maintaining the New York experience. On a more fundamental level, without immigration, the city's population would have declined, neighborhoods would have been abandoned, and small business growth would have been anemic. Maintaining this ability to welcome newcomers will be essential to the region's continued success.

3. The New York region's unique agglomeration of assets is impossible to replicate

A big part of the reason why New York has come back from previous crises better than many previously industrial cities, and why it has been consistently ranked a leading global city, is that it has a combination of assets that others can't match or replicate. An employer in Manhattan, Brooklyn, or Newark can draw on a much bigger pool of diverse and talented workers than in any other U.S. region. No other North American metropolis comes close to matching the size and reach of its transit network. Its employment base is not only large, but is much more diversified than many regions, with finance, technology, culture and tourism, education, and medicine as sources of growth and career and business opportunities.

The variety of *places* within the region is also a source of strength. From Manhattan's office and residential towers to thriving urban neighborhoods in the outer boroughs, smaller cities like Stamford, Yonkers, or New Brunswick, and a growing number of transit-oriented downtowns on Long Island and in the Hudson Valley, New Jersey, and Connecticut, the region offers more types of places to live and work than any other region. This not only helps it to retain and attract people and jobs, it also lets it adapt to changes in business and life preferences and support the diversity of people that have always been New York's calling card.

4. New businesses and households will take advantage of vacant space and lower rents

No one wants to see more vacant offices, apartments, or store fronts. These will hurt small businesses, reduce tax revenues, and dampen New York's vibrant street life. But one family or firm moving out can be another's opportunity. Landlords will need to lower rents, and in a city this expensive, there are many people and entrepreneurs who will take advantage of lower costs.

In many ways, this is the story of New York. No city has proven as flexible or adaptable. Obsolete factories and warehouses built in the early 20th century became loft districts and new commercial and residential centers in the latter half of the 20th century. Neighborhoods that were abandoned in the 1970s were stabilized with tenant organizing and city and state investment, and became the homes of a new wave of immigrants. Office space in lower Manhattan and the Flatiron district in the early 1990s gave rise to Silicon Alley and a new generation of technology-oriented entrepreneurs. As vital as it is to help businesses and households make it through this difficult time, the city itself will survive and reinvent itself.

5. The crisis has been a wake up call to address structural problems

The turbulence of the last six months has exposed the deep divisions and structural weaknesses embedded in our economy and institutions. The disparities in who suffered and died from COVID-19 demonstrated not only how people of color have been left vulnerable by generations of denied economic opportunity and health care, but also how these disparities were compounded by widely different experiences in the quality of care they received. Nearly every other aspect of the pandemic and recession, from who was able to work from home and who had access to better education resources, broadband, and support systems, showed how much segregation and other forms of institutionalized racism have failed so many. The explosion of anger following the police

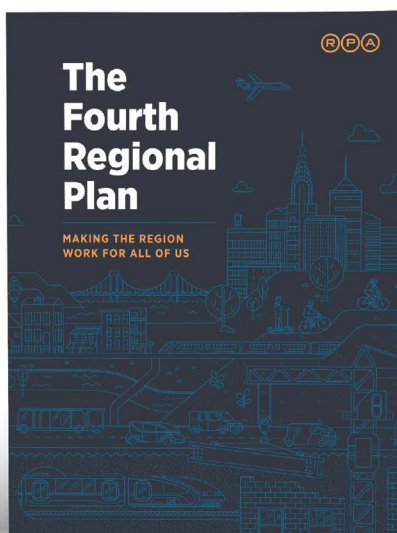
killings of George Floyd, Breonna Taylor and others cast a spotlight on failures of the police and criminal justice systems, including the failures here in New York City and the rest of the region.

The region's physical environment and governance systems were similarly tested. Streets that were built for cars struggled to provide the room that pedestrians, cyclists, and small businesses needed. Quality parks were often too crowded or unavailable for those who needed them most. Services from unemployment insurance to food banks were overwhelmed, and collaboration between federal, state, and municipal governments often faltered. The high cost of housing, infrastructure, and services contributed to the fiscal crisis.

With the exposure has come an outpouring of civic action, reflection, and debate, from widespread and largely peaceful protests to mobilization for reforms. It is far too early to tell, but there is a greater chance that the process of recovery will usher in a period of reforms that will make the region a healthier, fairer, and more just place to live.

Planning for an Equitable and Sustainable Future

In 2017, Regional Plan Association issued its *Fourth Regional Plan: Making the Region Work For All of Us*, a roadmap for inclusive, sustainable growth over the next generation. As with any long-range plan, it strived to combine enduring goals with robust strategies that could adapt to changing circumstances. The magnitude of the current crisis is a stress test for the Plan's relevance and durability.



The Fourth Plan seeks to address issues including housing affordability, overburdened transportation infrastructure, and vulnerability to climate change — by addressing the underlying shortcomings in the region's governance structures.

find out more



At this critical moment, the Fourth Plan can provide a framework for ensuring that actions to speed recovery also lead to a region that is more livable, just, and resilient. It won't speak to every issue that needs urgent attention, and the timing and priority of its recommendations will need to be re-evaluated. The central components of the Plan, however, are even more relevant in light of the immediate challenge:

○ **Make health and equity central to recovery and rebuilding**

Health and equity were core values guiding the Fourth Plan, and informed recommendations ranging from incorporating health performance measures into the standard operating procedures of transportation agencies to insuring all housing is

healthy as well as affordable. The pandemic has demonstrated that promoting health and equity is not only just, it is essential to restoring confidence in the region's economy, transportation, and education systems, and as a place of opportunity.

○ **Save and modernize our transit system**

After near failure three years ago, our subway, bus, and commuter rail system were starting to benefit from more aggressive public investment and improved management. Several of the recommendations in the Fourth Plan, including congestion pricing and accelerated implementation of communication-based train control, were approved and moving toward implementation. The COVID-19 recession has not only put a halt to many of these improvements, it threatens the financial foundations for continued investment. The first priority must be to restore lost revenue to stave off service cuts that would strangle economic recovery, and restart the reforms that were starting to show progress.

○ **Design streets for people**

Cities across the globe have seen an increase in car use due to fears of public transit post-COVID, but these trends are avoidable with smart planning. Proactive plans can accelerate Fourth Plan priorities, such as the creation of bus and bike lanes and streets designed for people to assist in a just recovery. Businesses are increasingly relying on these spaces for outdoor dining, pick up, and deliveries, as are schools for education and play.

○ **Expand affordable internet access across the region**

The Fourth Plan called for a series of investments and approaches to expand access to high-speed internet across the region for all. This recommendation has taken on a new urgency in the pandemic with a dramatic and sudden increase in demand for fast, reliable, and an affordable internet to serve remote learning, work from home, and telemedicine. Addressing the technical and political challenges of deploying the infrastructure necessary for universal connectivity is imperative for equitable economic recovery and renewal.

○ **Strengthen our resilience to climate change and all environmental and health hazards, including future pandemics**

Public health is intrinsically bound to climate and the environment. In fact, one of the probable outcomes of climate change is more frequent pandemics in addition to storms, flooding, and heat waves.⁸⁴ Actions recommended in the Fourth Plan from greening

neighborhoods, to reducing extreme heat, to addressing environmental justice issues, to scaling up renewable energy, would make us more resilient and help slow the impacts of climate change. They would also make us healthier and more resilient to outbreaks of disease. In healing and rebuilding our economy, we should embrace an ethos that makes both our natural and built environments more resilient to threats of all types.

○ **Make the region affordable for everyone**

Prior to the pandemic, rapid but uneven economic growth had put the cost of decent housing out of reach for far too many. The Fourth Plan's recommendations, from protecting low income residents from displacement to removing barriers to building mixed-income housing near transit in both city and suburbs, targeted both the shortage of affordable housing and inequities stemming from structural racism and segregation. The pandemic has added a precipitous loss of income for vulnerable families and individuals, as well as abrupt disruptions to both city and suburban housing markets. Income support is essential to prevent a massive increase in homelessness and deterioration in the housing stock.

○ **Fix our institutions to reduce costs, increase efficiency, and address longstanding inequities**

Our governing institutions, from regional transportation authorities to local property tax systems, were badly in need of reform before COVID-19. The Fourth Plan made specific recommendations, such as reforms to reduce the costs of transit projects and make the planning and development process more inclusive, predictable, and efficient. The last six months have highlighted other institutional failures, from an overwhelmed unemployment insurance system to the inequities embedded in K-12 education. With the region facing enormous costs with dwindling public resources, it will be essential to fix these structural problems to make every dollar count and restore public trust.

○ **Transcend city and state boundaries to implement a regional recovery and rebuilding process**

The Fourth Plan was a call for regional cooperation to address common problems. The pandemic and deep recession will cause some relocation of people and business within the region, but this does not have to be detrimental to the people of any state or municipality. The crisis has started to bring the region together out of necessity, such as the Regional Coronavirus Reopening Council convened by the region's governors. Building the region's economy, institutions, and infrastructure better than they were before will need a long-term commitment for sustained collaboration and shared sacrifice among elected officials, agencies, businesses, labor, philanthropy, and civic institutions across the region.

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