

Bettina Damiani, Project Director

At the New York City Housing Development Corporation

Public Hearing on 63 Wall Street

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My name is Bettina Damiani, director of Good Jobs New York, a joint project of the Fiscal Policy Institute with offices in Albany and New York City and Good Jobs First, based in Washington, DC. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies. Our website (www.goodjobsny.org) contains the only publicly available database of the city's large corporate retention deals. In addition, after the attacks of 9/11, we launched Reconstruction Watch to help grassroots groups better understand the many incentives that were developed for the redevelopment of Lower Manhattan. From this initiative, GJNY helped launch the Liberty Bond Housing Coalition in reaction to the use of residential Liberty Bonds subsidizing market rate developments.

Where is the Public Benefit?

For the reasons Good Jobs New York has stated at the previous New York City Housing Development Corporation's May 5 public hearing on the Liberty Bond projects proposed at 90 Washington Street and 95 Maiden Lane, we oppose the proposed allocation of \$140 million in Liberty Bonds for the proposed development of 63 Wall Street; this current proposal for 63 Wall Street clearly lacks a public benefit. As we understand it, not one unit will be affordable to the majority of New Yorkers. We must ask again, why real estate developers and high-end renters are the beneficiaries of 9/11 funds while most New Yorkers struggle everyday to pay the rent?

However, we do commend the HDC for imposing a 3% on the allocation of Liberty Bonds to help create affordable housing in other areas of the City. But sadly, this will not generate enough revenue to fill the gap for the creation of affordable housing, but it also neglects the dire housing needs in Lower Manhattan.

What is needed is to address the housing needs in all parts of the city is a genuine long-term plan from our public officials. While in some respects, it seems there have been promises from Mayor Bloomberg to put forth a plan that focuses on the lack of affordable housing the implementation of a plan is absent.

Last week, the New York City Industrial Development Agency held a public hearing on the proposed allocation of commercial Liberty Bonds for a project at One Bryant Park. Good Jobs New York testified that the 3% fee that HDC implements on residential Liberty Bonds should also be considered on this \$650 million commercial Liberty Bond project. Doing so would yield \$19.5 million dollars for affordable housing. The response from IDA board members and staff was that the IDA is not responsible for housing initiatives in the city even though the high cost of housing deters some businesses from moving to and remaining in New York City, not to mention the toll it takes on those currently living and working here.

Just in case it wasn't already clear that affordable housing is a concern, a recent poll by the National Association of Realtors stated that two out of three American's are concerned about the high cost of housing. In fact 60% of New York City area respondents said they were "very concerned" about the cost of housing. [\[1\]](#) One can only imagine what people in other parts of country are thinking when our City uses September 11th resources to build housing that only benefits high-income renters.

Transparency

Good Jobs New York finds it remarkable that this administration does not see the linkage between subsidies to corporations and the need for a public benefit in the form of, for example, affordable housing. It is not a new idea. In fact, Jersey City, our rival in New York City's economic war among states has recently implemented such a plan, see attached article.

After HDC's public hearing in May, Good Jobs New York and other members of the Liberty Bond Housing Coalition were baffled that members of HDC's board were not given copies of our testimony. Later, it was learned that the HDC board was briefed on the comments given at the hearing. I cannot emphasize enough that merely briefing board members in private what occurred at a public hearing - without copies of written comments - is deplorable. While informing board members in this manner may not have broken any laws, it creates an atmosphere of distrust among New Yorkers.

How to Make Liberty Bonds Work for New York

According to recent news reports, it seems some public officials and real estate developers would welcome an extension of the December 2004 deadline by which Liberty Bonds needs to be allocation. Good Jobs New York and the Liberty Bond Housing Coalition welcome this but insist additional modifications be included that would spur the creation of affordable housing, including: permitting the allocation of residential bonds outside Lower Manhattan and concentrated in the four other boroughs and north of 96th Street in Manhattan; reinstate the low-income housing tax credit, (a standard feature for tax exempt bonds); and to mandate units set-aside for low, moderate and middle income families.

Members of the Liberty Bond Housing Coalition welcome the opportunity to work with you to discuss how Liberty Bonds can truly be leveraged to help solve this city's affordable housing crisis.

Thank you for consideration of our testimony.

[\[1\]](http://www.realtor.org/realtororg.nsf/pages/housoppsurvey?OpenDocument) National Housing Opportunity Pulse put out by the National Association of Realtors
<http://www.realtor.org/realtororg.nsf/pages/housoppsurvey?OpenDocument>