

Labor Community Advocacy Network to Rebuild New York

Public Comment on LMDC Partial Action Plan No. 5
Lower Manhattan Development Corporation
1 Liberty Plaza, 20th Floor
New York, NY 10006

October 2, 2003

Dear LMDC Board Members:

Below are comments on behalf of The Labor Community Advocacy Network to Rebuild New York (LCAN), and the Liberty Bond Housing Coalition, which grew out of LCAN.

LCAN a coalition of over 60 labor unions, community organizations, research institutes, service providers, activist groups, and advocates that has been actively engaged in the rebuilding process since immediately following the September 11 terrorist attacks.

The Liberty Bond Housing Coalition is a group of leading affordable housing advocates and community organizations addressing the lack of affordable housing in the city's rebuilding efforts.

LCAN participated in the Listening to the City event last July 20, and we have commented numerous times on LMDC proposals.

Lack of Public Process:

Before commenting on the specific proposed allocation of funds, we are compelled to write about the process of collecting public input on the partial action plans.

As with each of the previous Partial Action Plans, this one will not receive the amount or diversity of responses it deserves, as a result of the inadequacy of the public input process currently in place. As a partial remedy, the Labor Community Advocacy Network proposes the following two measures to improve the review process.

- (1) Extending the amount of time between the release of the Partial Action Plan and the deadline for giving input (currently two weeks) to at minimum one month. This extension would allow adequate time for community members to find out about the details of the plan and to formulate an appropriate response; and

- (2) Holding public hearings, attended by LMDC board members, and staffed by translators. Providing community members with the opportunity to ask questions and give oral remarks, rather than preparing and mailing in written statements, would encourage a much broader range of the public to give input. This would also allow for more informed comments, since the partial action plans are able to give only a broad outline of work planned, and community members may have more detailed questions about specific parts of the plan. The presence of board members would additionally increase the public confidence that the commentary is meaningful, and will be taken into consideration in the final revisions of the plans.

Implementing these changes would represent meaningful progress in terms of the Corporation's own transparency; it also would allow the Corporation to feel more confident that it is presenting HUD with plans that take into account the concerns of all stakeholders.

Changes on the LMDC Board

Another opportunity to improve communication between the public and the LMDC is offered by the recent resignation of Mr. Frank Zarb from the LMDC board. The opening should be filled by someone who represents the broader community and public interest, and reflecting the enormous civic involvement in the rebuilding process.

Further, in light of Richard Grasso's recent removal from leadership at the New York Stock Exchange, we suggest that his role representing the financial community on the LMDC Board is inappropriate. We propose that the LMDC Board consider asking Mr. Grasso to relinquish his seat on the Board.

Chinatown Tourism and Marketing Program

LCAN supports the idea of boosting tourism in Chinatown. However, the current Plan raises several concerns about whether Chinatown residents will get the maximum possible benefit from this allocation of funds.

The proposed Plan states that any tourism project should be sustainable over a long period, rather than a one-shot event. But with so little money allocated (\$1 million from CDBG funds with a matching \$1 million from the September 11th fund), and so little detail about how it would be spent, the long-run sustainability of a significant project is uncertain. This allocation should be regarded as seed money towards a larger project that may return to apply for additional funds at a later date.

As with any allocation of CDBG funds, the \$1 million proposed for Chinatown's tourism must be required to support the creation of high quality jobs with hiring preferences for local residents, women, people of color, low-income residents, and unemployed New Yorkers. Jobs in tourism vary widely, including for example, tour guides, translators, staff at information booths, marketers, and designers.

There should also be priority given to tourism-related tasks that create good jobs for unemployed New Yorkers, especially those in greatest need.

In addition, this Plan provides a unique opportunity to ensure that the jobs created through increased tourism in Chinatown are high road jobs, with “best practice” wages and benefit levels. Lower Manhattan, as Mayor Bloomberg has said, is a high-end location; it is not the K-Mart of business locations. Restaurant jobs may typically pay low wages, but Windows on the World was a model of a high road business that paid best practice wages. The LMDC should make sure in the rebuilding process that all the jobs created using CDBG funds have best practice wages, whether in restaurants, retail, information booth staffing, or other jobs that may otherwise be low-wage jobs.

And, with whatever jobs are created, there should be matching training programs to make the jobs accessible to New Yorkers who need work. In a city where the resident workforce is 47 percent immigrants, funds also should be set aside to provide for English as a Second Language services to assist local residents in successfully accessing the employment this Plan will spark. The LMDC should particularly work with job training and other social service providers in Chinatown to ensure that their clients are being trained to fill the positions this program will require.

Finally, as was raised repeatedly in the LMDC’s community outreach meetings in Chinatown, gentrification pressures are creating difficulties for long-time local residents and may permanently change the character of this historic, cultural neighborhood. There is real concern that rising rents will force residents and shop owners to move out, leaving the “improved” neighborhood to new-comers. Any attempt to improve the economic situation of the area must be attentive to how the improvements impact current residents. As the tourism program is implemented, the LMDC should ensure that a variety of local advocates are involved in the decision-making process, rather than just one “Chinatown based community organization,” as indicated in the current draft of the Plan. This is especially crucial for lower-income residents and employees who are most vulnerable to the negative consequences of gentrification.

Lower Manhattan Information Program

In this Plan, up to \$1.3 million is proposed to be allocated to improve communication between the public and the LMDC about redevelopment issues. This is a laudable goal, for which LCAN advocated in our April 24, 2002 LCAN Policy Statement. The LCAN proposal “Revitalize New York By Putting People to Work” further spells out ways that communication with the public about rebuilding can create jobs for unemployed New Yorkers and create a positive public spirit about Lower Manhattan as it goes through the rebuilding process.

Yet, the \$1.3 million proposed for the existing information program anchored by the website www.manhattaninfo.org raises questions about whether the job creation impact of these funds is being maximized. The maintenance of a website, for example, requires only a few, highly paid employees. Staffing an information booth or walking-tour guide programs, programs for school children, or expanding programs at cultural institutions with trained, multi-lingual personnel might offer more employment and have a broader impact on the community. LCAN appreciate

that LMDC intends to produce and distribute a colorful newsletter and that LMDC staff engages in active outreach efforts, including regular distribution of written materials. However, we urge the LMDC to explore ways to stretch outreach dollars even further beyond the salaries of designers and marketers. This would include making every effort possible to keep down costs by seeking special rates on advertising spaces and utilizing the public donation requirement on some phone kiosks.

Planning and Administration

The Plan indicates that a portion of the \$121,052.63 proposed for administration and planning would be spent on activities such as “large scale public meetings and hearings.” LCAN again urges the LMDC to apply some of these funds to public hearings on the Partial Action Plans themselves, and the allocation of LMDC funds.

The previous Partial Action Plans have approved a total of approximately \$55.86 million on administrative and planning costs. The current proposal would bring the total approved to approximately \$56 million. The total amount allowed by HUD for expenditure on planning and administration is 5% of the total grant of \$2 billion, which is \$100 million. It seems that over half the allowable amount has already been approved for expenditure. The Plan states that the LMDC will provide planning and administrative assistance for the memorial as well as public input processes around the remainder of its activities. LCAN urges the LMDC to make public how it is monitoring its expenditures to ensure that adequate funds remain for the ends of these processes.

Thank you for this opportunity to comment on the allocation of CDBG funds for the revitalization of Lower Manhattan.

David Dyssegaard Kallick
Coordinator
Labor Community Advocacy Network to
Rebuild New York

Bettina Damiani
Coordinator
Liberty Bonds Housing Coalition