

REBUILDING WITH A SPOTLIGHT ON THE POOR COALITION

c/o MFY Legal Services, Inc.

299 Broadway, 4th floor

New York, New York 10007

COMMENTS ON LOWER MANHATTAN DEVELOPMENT CORPORATION DRAFT ASSISTANCE PLAN FOR INDIVIDUALS

To the Lower Manhattan Development Corporation

We are writing on behalf of the Rebuilding with a Spotlight on the Poor Coalition to comment on your draft assistance plan for individuals. The Coalition is a broad-based coalition of Lower Manhattan community groups and citywide advocacy organizations which has come together to address the devastation caused by the September 11th attacks on the lives of working and lower-income New Yorkers, especially in Lower Manhattan and inclusive of the neighborhoods of Chinatown and the Lower East Side as well as Tribeca, Battery Park City, and residential portions of the City Hall, Seaport and Financial District. This group was formed after a December 13th conference attended by over 160 people representing at least 75 different organizations serving Lower Manhattan as well as concerned individuals. The Coalition submits the following comments on the draft assistance plan for individuals:

A. Recognition of Communities

The Draft Assistance Plan appropriately recognizes the value of stabilizing neighborhoods in Lower Manhattan. In drawing boundaries for many of these programs, the neighborhoods of Chinatown and the Lower East Side must be included. These communities suffered significant devastation as well. (One exception is the rent incentive program which is not needed north of Canal Street). Additionally, public housing residents of Lower Manhattan must be included in all benefits. They, too, have suffered. There is no logical rationale for drawing boundaries down Canal Street and Rutgers Street in the middle of Chinatown and the Lower East Side and leaving public housing excluded.

B. Housing Assistance

While we agree that "Lower Manhattan's residential population is essential to the continued viability of the area's business", we strongly disagree that the fact that rental rates have been reduced represents a problem that should be addressed by public money. Nor do we agree that giving people rent incentives, regardless of their household income, to move to Lower Manhattan is necessary to maintain a residential population. What is important to the future of Manhattan is an economically, ethnically and racially diverse population. The Draft Assistance Plan itself notes that the median household income for the area closest to the attack is \$125,000 per year, which is clearly not an economically diverse neighborhood. This plan does nothing to remedy that problem.

The Coalition would recommend the following modifications to the assistance plan for individuals:

1. Environmental and Health Benefits for All Downtown Residents:

It is of utmost importance that all levels of government take every step to address the serious environmental and health concerns of all Lower Manhattan residents below 14th Street. This would include environmental monitoring of both outdoor and indoor air and full and honest disclosure of health risks. Environmental cleanups must be performed where necessary and residents must be provided assistance to cleanup their apartments safely. Additionally, all residents of Lower Manhattan south of 14th Street, regardless of income or alien status, should be entitled to health care and mental health counseling to deal with issues arising out of this tragedy.

2. Financial Assistance :

The dire shortage of affordable housing in New York City and consequent increase in homelessness is well-documented and I will not repeat the numbers here.⁽¹⁾ The recent increase in homelessness is also well-documented. No rebuilding plan or disaster assistance plan should ignore this crisis. The draft assistance plan for individuals does not take into account the needs for housing for low-income New Yorkers. The draft assistance plan proposes to give 1) grants to all residents of the "Immediate Impact Zone" for 30% of rent with a minimum grant of \$4,000 and a maximum grant of \$12,000 over a two year period and 2) grants outside of the immediate impact area for 30% of housing costs, with a minimum of \$2,000 and a maximum of \$6,000 over two years. While laudably the Plan states that it intends to "provide maximum benefits to lower income individuals in the area" (while ensuring that all residents get some assistance), the Plan fails to address the needs of low and moderate income residents. Specifically, we would recommend the following:

- a. Raise the minimum grant levels. There are fixed costs associated with overcoming the impact of the attack such as temporary relocation, access to affordable shopping and clean up. These cost are more difficult for low- and moderate-income families to absorb because they represent a larger percentage of income and may be impossible to absorb for seniors, disabled people and other people on fixed incomes.
- b. Raise the maximum grant levels to ensure that the amount of subsidy provided is sufficient to allow low income families to retain their homes.
- c. Eliminate the two-year lease restriction.
- d. Provide financial incentives to move into neighborhoods only in limit areas where market forces have not rebounded and only to low and moderate income people.
- e. Eliminate the requirement that tenants be fully paid up in their rents and owner occupants be current in their mortgage, maintenance and taxes to get assistance. This only penalizes people who may have lost their jobs or income as a direct or indirect result of September 11th.
- f. Do not exclude from assistance people currently living in subsidized housing in the affected areas which includes public housing, senior citizen housing, Section 8 housing and Mitchell-Lama housing.

3. Creation of Vibrant, Diverse Community:

At a minimum, in order to create and preserve a vibrant, economically diverse residential community, plans to assist individuals with housing needs must include the following:

- a) preservation of all existing low-income and subsidized housing in Manhattan below 14th Street, such as Independence Plaza and Gateway;
- b) using existing vacancies in Lower Manhattan to address the affordable housing shortage by tactics such as buying vacant apartments and leasing them at subsidized rates or obtaining additional Section 8 subsidies for low-income people who wish to move to the area;
- c) recommitting the Battery Park surplus to construction of affordable housing or replacing that funding stream;
- d) creation of affordable housing as part of any development plan.

C. Employment Training Assistance:

The impact on workers goes well beyond those who worked in Lower Manhattan. Many of the job losses are concentrated in low-wage industries. The Fiscal Policy Institute study of November 5, 2001 carefully details these losses. Again, rebuilding plans must take into account the needs of low-wage workers who lost their jobs directly as a result of September 11th, whether those jobs were located in Lower Manhattan or not.

Housing assistance payments should also be directed to workers unemployed as a result of September 11th, which would reduce their rental obligation to 30% of their income for the period of unemployment up to the two-year period for residents. Alternatively, the city and state agencies should aggressively seek additional Section 8 vouchers for unemployed workers.

The redevelopment of Lower Manhattan creates a unique opportunity to advance the living and working conditions of poor people. There are a variety of good ideas which have been put forth to advance the interests of all New Yorkers such as working with the unions to create apprenticeship programs, creation of publicly subsidized jobs and requiring that corporations that obtain government subsidies provide living-wage jobs and job opportunities for income people. Economic development must address specifically the needs of the poor who have lost jobs.

The proposed "employment training assistance" plan appears to be directed more towards assisting businesses than assisting individuals who need help obtaining and retaining jobs lost after September 11th and leaves open many questions.

Specifically,

1. Although the plan says it will "prioritize individuals affected by 9/11", the plan sets forth no objective criteria to do this, nor does it appear to limit training to individuals who lost their jobs as a result of September 11th.
2. The plan makes no attempt to target training to low wage workers. As reported by the Fiscal Policy Institute, "many of the industries where layoffs have been concentrated are predominantly low-wage industries."⁽²⁾ This plan leaves the selection of who will get training for which jobs entirely up to the employers.
3. The plan sets no requirements that employers aided with these grants pay prevailing or living wages, commit to employ people for any period of time or otherwise make any commitments in return for the receipt of government money.
4. The plan allows for no control by the workers over the training they receive. "Eligible training" should include specialized skills training, GED and ESL courses, job readiness workshops, union apprenticeships, higher education, and other programs that will

promote job growth and retention. Workers should have input into what type of training they receive.

D. Outreach

The zones encompass a large number of non-English speaking residents and a large number of non-English speaking people lost their jobs as a result of September 11th. It is imperative that the draft plan be circulated in languages in addition to English (Chinese and Spanish at a minimum) and that once the plan is in effect, efforts be made to reach out to the non-English speaking population. The Corporation must carefully evaluate how to do effective outreach in low-income communities and consider the use of existing community organizations as effective intermediaries.

We appreciate the opportunity to submit these comments and would be happy to meet with the LMDC to discuss these comments further.

Very truly yours,

Peggy Earisman, Managing Attorney at MFY Legal
Services, Inc. on behalf of the Coalition

1. '
2. "World Trade Center Job Impacts Take a Heavy Toll on Low-Wage Workers: Occupational and Wage Implications of Job Losses Related to the September 11 World Trade Center Attack," by the Fiscal Policy Institute, November 5, 2001.