



## **Overview of Public Comment on Draft Funding Allocation Framework and Revised Funding Allocation Framework May 25, 2005**

### **Background**

On April 13, 2005, the LMDC released the report *Guiding the Process: the Public Dialogue and Lower Manhattan Revitalization Initiatives*. The report included a detail of all of the funding allocations made to date, a summary of the public dialogue received throughout the past several years through extensive efforts on behalf of the LMDC and other organizations, including large-scale public meetings, workshops, and formal comment periods. The report included a draft Funding Allocation Framework, for which LMDC solicited public comment through May 1, 2005. The LMDC accepted comments via its website, regular mail, fax, and at a public forum held on April 27, 2005, in Lower Manhattan. Comment forms were distributed to participants at the public forum, allowing another mechanism to submit comments.

The draft Funding Allocation Framework has been revised based on the public comment received during the comment period. The overview below reflects the major themes of the public comment, and how the Allocation Framework has been revised to reflect these themes. The revised Allocation Framework is included on pages 4 through 6 of this report and is subject to further revisions.

### **Overview of Public Comment on draft Funding Allocation Framework**

The LMDC received 536 individual comments on the draft Funding Allocation Framework through all of the mechanisms mentioned above, including letters, faxes, the LMDC website, and the public forum held on April 27, 2005, in Lower Manhattan.

#### **Major Themes of Comment/Comments on the Five Priority Categories:**

Of the comments received during the comment period, the largest subset advocated specific projects or topics. The majority of those project-specific comments related to the following: (1) broader Lower Manhattan recovery and revitalization projects, and (2) planned, high-impact off-site initiatives. In addition, some comments focused on the five major priority categories articulated in the draft Framework (without discussing specific projects), and the importance of one or more of those categories over others.

There was significant sentiment that CDBG money should be allocated for community projects, suggesting an emphasis on the priority category "broader Lower Manhattan recovery and revitalization projects." Numerous comments were also received regarding the importance of "planned, high-impact off-site projects," most notably from key civic organizations. Additional individual comments from residents also showed preference for this category by supporting specific projects that fall within it, such as implementation of plans for the East River Waterfront, Greenwich Street South, Fulton Street, and Hudson River Park. It was clear by much of the comment that members of the local community consider these "high-impact" projects to be important community investments, and therefore to be broader recovery and revitalization initiatives because they include the critical components of a vibrant community such as open space, culture, connectivity, retail, and housing.

Although the use of CDBG money for the Long Island/JFK rail link was supported by key business and civic organizations, there was strong sentiment from others that, although the project might be very important, CDBG monies should not be used to fund it.

Very few comments specifically addressed the categories related to the WTC Site and the WTC Memorial. Of these few, some mentioned the overall importance of these projects but suggested that other funding sources should be explored as well, or first.

The remainder of comments related to the priorities as outlined in the draft Allocation Framework, and to the funding allocation process.

#### Support for or opposition to specific projects or topics:

An overwhelming amount of the overall comment related to support for specific projects, most notably waterfront improvements. Projects that received numerous references were some of the “high impact projects” including East River Waterfront, Greenwich Street South, Chinatown Access and Circulation/Brooklyn Bridge Anchorage, and Fulton Street Improvements; as well as specific projects such as schools, parks and playgrounds, cultural projects, community centers, affordable housing (preservation and development), environmental protection/clean-up, community health concerns, job creation and training, support for the creation of an apparel manufacturing and designer facility in Chinatown, and support for opening the gated areas of City Hall Park. A petition was also received regarding the renovation of a particular facility (a bath house) for community use.

Additional projects that were mentioned specifically during the comment period are referenced in the Addendum.

#### Comments regarding Draft Allocation Framework principles:

Comments on the principles as articulated in the draft Framework focused on several themes, notably the importance of focusing on projects that will have the most impact on and benefit to the community and that will have a catalytic effect on the area, allocating funds to achieve leverage toward projects that are generally unfunded by other sources, providing funding of last resort, and focusing on capital projects in the immediate area of the WTC Site. Comments were also received regarding the preclusion of operating funds.

#### Comments related to funding allocation process:

Comments on process related to the desire see a continuously open and transparent process, to distribute funds so as to address a wide range of community needs, and to further articulate a formal funding proposal and approval process going forward. Some comments also referenced the need to address community concerns rather than focus on “mega projects” such as the WTC Site, and to balance between large scale and small/medium scale projects. Some suggested that funds be set aside for a grant-making process dedicated to community enhancements. There were several variations of a form letter that was sent by stakeholders who support the Renaissance Plan. These letters related to both process, as reflected above, and in some cases to specific projects.

#### Additional Comments not specific to the Allocation Framework:

LMDC received faxes and emails from family members or friends of victims, most of which referenced specific concerns regarding the memorial design. Although they were in a fairly standard format, some made different points, few of which directly related to the content of the draft Funding Allocation Framework. However, some did include points regarding funding issues, including: the appropriateness of the allocation of funds toward the International Freedom Center; providing an accounting of how the money is spent; and the Fresh Kills issue. Family members’ comments pertaining to the proposed refinements to the World Trade

Center Memorial and Redevelopment Plan are also being reviewed as part of the comment period on the Environmental Assessment and Finding of No Significant Impact (the comment period ran from April 4 to May 6, 2005).

#### Revisions to the draft Funding Allocation Framework

In response to comments received on the draft Funding Allocation Framework, the draft has been refined in several ways.

Most notably, revisions to the draft Allocation Framework reflect the focus on three priority categories rather than five: (1) The Memorial complex, (2) Broader Lower Manhattan recovery and revitalization projects, and (3) High-impact, off-site projects.

Two categories have been removed as CDBG funding priorities: (1) the Long Island/JFK rail link, and (2) the WTC Site public infrastructure. These categories remain as important components of the rebuilding process and key policy/programmatic goals for the LMDC, but will not receive CDBG funds.

Clarification has been provided in the revised Framework regarding the principles outlined in the draft Framework. These principles outline general eligibility criteria, but projects that fall within those categories, such as those that are operational in nature, are not entirely precluded as part of this Framework.

The high-impact off-site projects and community projects that will be funded as per this revised Allocation Framework will address many of the priorities and projects most frequently and vigorously advocated by members of the public who commented. As the LMDC moves ahead with meeting the challenge of maximizing the use of remaining CDBG funds and implementing initiatives that receive CDBG funding, it will continue to work closely with State and City officials, elected representatives, and the public at large to ensure an open and inclusive process.

As per HUD guidelines, all proposed projects and initiatives will be included in Partial Action Plans, and as such, will undergo a review process by which the public is afforded an opportunity to provide further input regarding the allocation of these remaining funds.

# **Revised Funding Allocation Framework Objectives, Principles, Priorities, and Allocation Options**

## **Explanation:**

In determining the allocation of its remaining Community Development Block Grant funding, the LMDC (working in cooperation with the City and the State of New York) must make difficult decisions. The demands for these funds (more than \$4 billion in total) far outweigh the availability (approximately \$735 million). Through this document, the LMDC articulates the objectives, principles, priorities, and allocation options through which the remaining funding will be distributed.

Funding proposals will be weighed against the LMDC's substantive objectives (the agency's mandate, and its aims going forward). Proposals will then be funneled through a set of restrictive principle parameters that will determine whether or not they are eligible for LMDC funding. Those projects remaining will be categorized in terms of and filtered through the priority categories below.

This process and these general priorities have been informed by public input received to date. The unprecedented amount of public dialogue surrounding the revitalization of Lower Manhattan has been an integral part of the planning process and identification of funding initiatives. On April 13, 2005, the LMDC released the draft Funding Allocation Framework, and accepted public comment on the draft Framework through May 1, 2005. The draft Framework was revised based on the comment received.

## **Objectives:**

Overall, the LMDC's goal is to deploy its funding in a way that is catalytic—eliciting and activating positive changes that will be visible, dramatic, and durable. The projects identified should address communities' needs throughout the LMDC revitalization area, the neighborhoods located below Houston Street, all of which were affected by the events of September 11, 2001. Following are the objectives the LMDC seeks to pursue either with its remaining funding or with other resources and other forms of leadership and/or partnership:

- Create a fitting memorial to those lost on September 11, 2001 and February 26, 1993, that will honor the victims and forever respect this place made sacred through tragic loss;
- Invest in public infrastructure World Trade Center site that will enable and trigger the private investment needed to sustain and enhance Lower Manhattan, including commercial and cultural development;
- Develop Lower Manhattan with a focus on the vital components of a diverse, mixed-use community such as arts, culture, residential, commercial, retail and civic amenities;
- Create a connected community that links the neighborhoods within Lower Manhattan with new or enhanced public spaces, builds upon its natural assets, draws upon its resources, and improves the pedestrian experience; and
- Implement a comprehensive, coherent plan for transit access that better connects Lower Manhattan to the region and the world.

## **Principles that generally\* exclude projects from eligibility for CDBG funding include, in no particular order:**

- Venture capital risks
- Relief of previously existing commitments or debt
- Operational funding (instead of capital and planning funding)

*\*Clarification in response to comment: these general principles do not entirely preclude projects from eligibility as part of this Funding Allocation Framework. In the third case, for example, the emphasis for*

*funding will be on capital and planning expenditures, though not without exceptions for operational funds. This clarification applies to the other cases as well.*

Once deemed eligible, consistent with these objectives and principles, it should be determined whether the project fits within one of the below-identified priority areas. The priority areas are subject to further evolution and revision. In terms of projects focused outside of the World Trade Center site (off-site), priority will be given to those projects that will dramatically affect the quality of life for businesses, workers, residents, and visitors, and those that are likely to promote the attraction and retention of businesses and residents to the area.

**The following categories set out priorities that have been identified by the LMDC for the remaining CDBG Funds:**

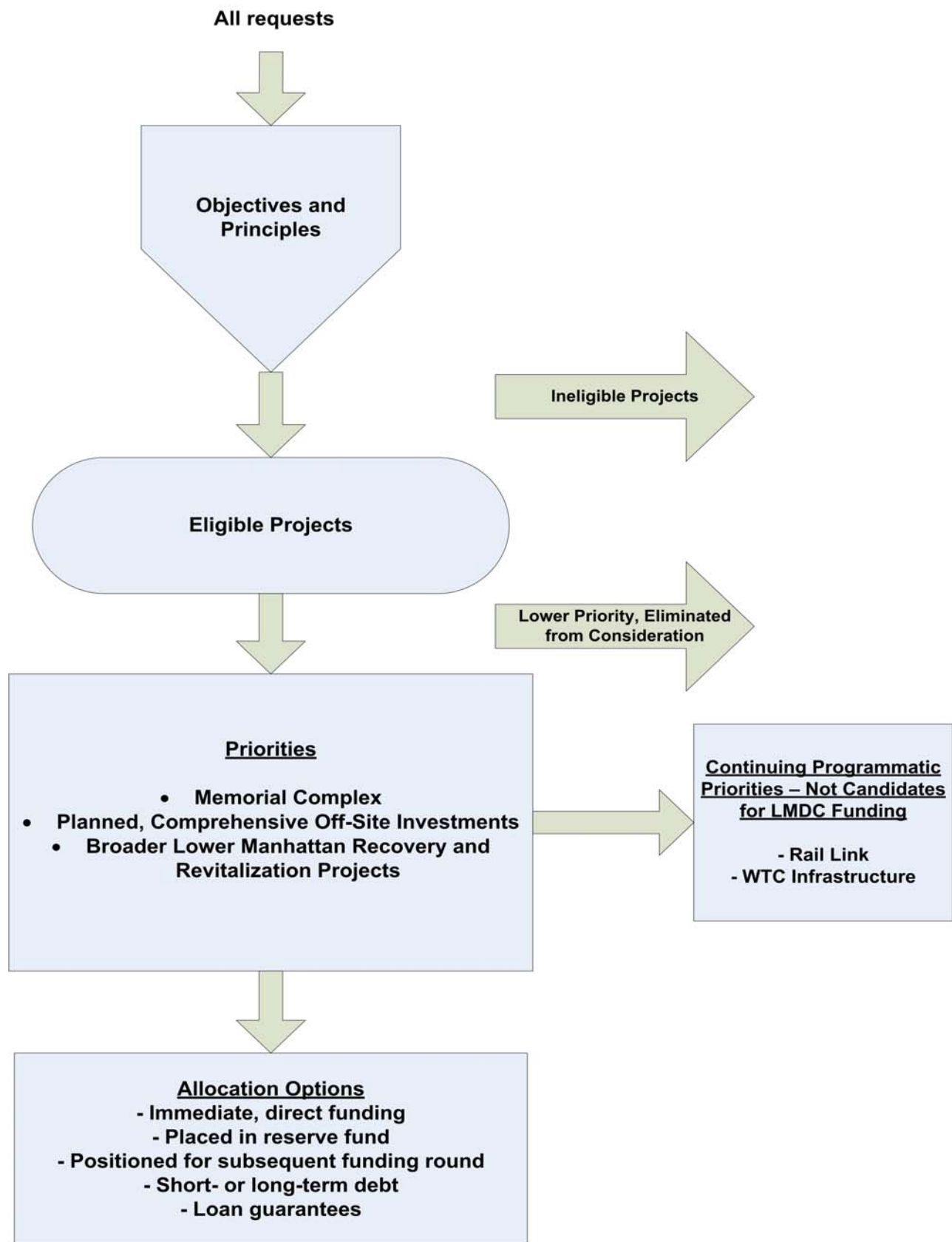
- The Memorial complex\*
- Planned high-impact, large-scale off-site initiatives
- Broader Lower Manhattan recovery and revitalization projects

Once the project is categorized within a priority area, there are several options for proceeding with funding allocation, including: direct, immediate funding to the institution involved; placement of funding in a reserve fund until precise determination of need level; categorization into a longer-term round with funding after further accounting of the availability of resources and release of reserves; allocation of funds as short- or long-term debt; and loan guarantees. Allocation decisions should be made so as to optimize the number of projects undertaken and the level of funding for these activities. Because LMDC dollars are relatively unrestricted and flexible (and can be deployed creatively), LMDC should infrequently provide dollars of first resort, but instead generally offer dollars of last resort. Off-site projects which can be funded by alternative sources will have a lower priority, and attention will be given to high impact projects that cannot proceed without LMDC funding.

The following categories remain among the highest priority for the LMDC and its rebuilding partners, but have been removed from the priority categories for funding based on responses to the draft Funding Allocation Framework. The LMDC will continue to work with its partner agencies to ensure that these projects are realized and fully funded through other sources.

- Long Island/JFK rail link
- WTC site public infrastructure

*\*Funding for the Memorial complex may include costs associated with land transactions necessary to complete the World Trade Center Memorial and Cultural Program and to enable the realization of the WTC Master Site Plan.*



## Addendum

**Beyond the key projects mentioned in the body of this report, the following is a list of projects or topics mentioned during the comment period (in alphabetical order):**

- Allen/Pike Street
- Area hospitals
- Arts and existing cultural institutions
- Asthma Action Protection Plan
- Boy's Club
- Child Design project
- Chinatown arch
- Chinatown Local Development Corporation
- Chinatown – general support
- Clemente Soto Velez cultural center
- Columbus Park
- Cultural center in Chinatown
- Diker Pavilion
- ESL
- Feasibility study to move police headquarters
- Funding to off-set loss of revenue for businesses affected by West St.
- Fresh Kills; feasibility study
- Gouverneur hospital modernization
- Grand Street cross-town bus
- HERE proposal
- Hester Street Playground
- Historical New Amsterdam on Governor's Island
- Human Services
- James Madison Park
- K9 memorial
- Life support paramedic ambulances
- Lt. Petrosino Park
- LMDC Residential Grant Program
- Local transportation, connectivity
- Lower East Side – general support
- Marketing/wayfinding
- Mental health services
- Mitigation of construction impacts on residents
- Neighborhood amenities to keep pace with growing residential population – general
- New Museum of Contemporary Art
- Peak Oil
- Preserve affordable housing at Knickerbocker Village
- Preserve elements of WTC site, return Sphere and façade to WTC, preserve Vesey Street staircase, etc.
- Remediation of Chatham Square/Park Row
- Resident incentives
- Safe demolition of toxic buildings/130 Liberty Street comments
- Security cameras in NYCHA buildings
- Senior centers/services
- Small business marketing
- St. Vincent's clinic
- Street construction
- Stuyvesant High School evaluate/upgrade filtration
- Traffic improvement
- Underground municipal parking at Collect Pond
- West Street Tunnel
- Youth programs