



**TESTIMONY TO THE LOWER MANHATTAN DEVELOPMENT CORPORATION REGARDING
THE DEVELOPMENT OF 5 WORLD TRADE CENTER**

**CITIZENS HOUSING AND PLANNING COUNCIL
HOWARD SLATKIN, EXECUTIVE DIRECTOR
MAY 16, 2023**

Thank you for the opportunity to offer comments on the proposed development of the 5 World Trade Center site. My name is Howard Slatkin, and I am Executive Director of the Citizens' Housing and Planning Council (CHPC), a non-profit civic organization dedicated to addressing the city's housing and planning needs.

The public discussion of affordable housing sometimes makes it seem as if achieving affordability is an act of will, when it is a decision about the distribution of resources.

The creation of affordable housing in Lower Manhattan – an area rich with access to jobs and services but with little affordable housing – is indeed an important opportunity.

On its own, maximizing affordability sounds like an unquestionable good. But it's important to examine not just opportunity, but also opportunity cost – what would funds otherwise achieve if they were not directed to this project?

The affordability in the ESD-sponsored proposal would be paid for through a PILOT arrangement that exchanges future payments in lieu of taxes for affordability, mimicking how tax incentive programs have historically functioned to support mixed-income rental development.

The revenues foregone would not exist in the absence of this project and could not be spent for other purposes. This presents an important contrast with proposals to tap into other, appropriated funding sources to address affordability goals.

New York typically spends all the funds appropriated for affordable housing. So directing more into one project means there's less available for the many other affordable housing developments seeking funding.

And, with a high-cost building such as this one, this approach may not just steer resources from one project or neighborhood to another, but can actually reduce the total amount of affordable housing these public dollars can buy. For the cost of subsidizing one affordable unit here, several could be funded in lower-cost locations within New York City.

This is not to suggest that government categorically should not support affordable housing in high-cost locations. But it does pose difficult choices that should not be ignored.

Putting other funding sources into this project could necessitate putting off unspecified affordable housing investments in places such as the South Bronx or Central Brooklyn. But the locally oriented

process of project review does not generally involve consultation with other neighborhoods or their representatives. This can obscure the true costs of decisions. It is important to give voice to those communities that might otherwise quietly be deprived of affordable housing resources.

In acting, I urge LMDC to consider responsibly not only for what's good for affordable housing for this neighborhood, but also what's good for affordability for all New Yorkers.

Thank you.