



**Statement by Lucy Shaw, MSW, Research and Policy Initiative
of the Community Development Project, Urban Justice Center and
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to the City Council of the City of New York,
Select Committee on Lower Manhattan Redevelopment
June 30, 2004**

The Urban Justice Center Community Development Project provides legal, research and policy assistance to community-based organizations in New York City. In partnership with CAAAV: Organizing Asian Communities, a community-based organization that organizes poor, working-class Chinese immigrants to fight against displacement and gentrification in Chinatown, we are working to promote the sustainable development of the Chinatown community, particularly one that respects and includes the interests and voice of lower-income residents and workers. Clearly, the spending of Community Development Block Grant Funds controlled by the Lower Manhattan Development Corporation (LMDC) and the use of Liberty Bonds by Governor Pataki and Mayor Bloomberg are of great interest to us, and we are seriously concerned that the current priorities governing redevelopment will have grave implications for the well-being of the Chinatown residents and workers, promoting a type of development that does not include lower-income residents and workers, thus resulting in their further marginalization and displacement from their community.

As you know, Chinatown was seriously impacted by the aftermath of the devastating events that took place on September 11th, 2001. However, this Lower Manhattan community, primarily made up of lower-income and immigrant residents and workers, has consistently been neglected and overlooked in the distribution of the billions of dollars that were allocated to address the short- and long-term impacts of that disaster. We saw how this played out in the distribution of FEMA disaster assistance funds. For example, the Below Ground Zero Network obtained data through a Freedom of Information Act request showing that 41 times more households from affluent areas in Lower Manhattan (Soho, Tribeca) were approved for Mortgage and Rental Assistance relief compared to low-income areas (Chinatown and Lower East Side). Similar data exists for other FEMA programs including the Individual Family Grant Program. We are now witnessing this again in the longer-term redevelopment plans that are being implemented through the Lower Manhattan Development Corporation and the issuing of Liberty Bonds.

To preface, CAAAV's members have long identified low-income housing and sustainable employment development as the critical needs in their community. Even the Rebuild Chinatown Initiative (RCI) sponsored by Asian Americans for Equality, clearly says that the 3,000 people they interviewed in Chinatown identified affordable housing, employment and income generation, and sanitation as the top three issues in their community that must be prioritized in any development effort.

LMDC priorities do not reflect those voiced by the community, however, and has yet to seriously address the issues of affordable housing and employment for Chinatown residents. LMDC has only proposed \$50 million to build 300 affordable apartments in Tribeca. The plan has yet to be submitted to Housing and Urban Development for approval and is scarcely a drop in a vast bucket of need for affordable housing in the area. Moreover, Tribeca, largely a middle- and upper-income neighborhood, should not be the focus of affordable housing development in Lower Manhattan. Rather, public funds must prioritize the neighborhoods in most need, specifically Chinatown, and must be allocated to low-income housing, rather than just affordable housing.

Furthermore, of the 3.243 billion dollars of Liberty Bonds approved, none has gone to residential or commercial development in Chinatown. Ninety-five percent of residential units created through liberty bonds are luxury housing. Even the 45 units set aside for non-market rentals are still only affordable for New Yorkers who make over 94,000 for a family of four. This is unacceptable when you look at the percentage of the population in Chinatown that is in need of housing. According to the 2000 census, there are close to 85,000 people in Chinatown. Twenty-nine percent of all Chinatown renters paid more than 40 percent of their household income on rent. Of that group, 68% earned less than \$15,000 a year. No other mention of CDBG or Liberty Bond spending has centered on affordable housing.

In terms of economic development, Liberty Bonds and CDBG funds have not been tied to strong plans for generating future employment and income for low-income immigrants who work and/or live in Chinatown. While recent plans focus on tourism and marketing of Chinatown, there are no concrete guarantees that local workers and residents, including the unemployed and poor will benefit from these plans. Rather, re-development that focuses only on tourism and marketing Chinatown will inevitably increase the gentrification of public spaces and will displace street vendors, who are integral members of the Chinatown community. In addition, we do not think that the one million dollars to be spent on this project is enough to effectively develop and implement a plan to generate and sustain employment and income for low-income immigrants who work and/or live in Chinatown.

Finally, we do not feel that the two-week public comment period on Partial Action Plans is sufficient for adequate and thorough community feedback. And we have found that the criteria for usage of Liberty Bonds and CDBG spending does not require the approval of any community body or representatives and therefore is spent without serious consideration of the local community (specifically low-income and poor residents and workers).

The LMDC, Governor Pataki and Mayor Bloomberg must be committed to and have an obligation to a sustainable development in Chinatown, in general, and affordable housing for low-income residents and job development in particular. It is not acceptable that, in the name of re-development, corporations and large developers have the go-ahead to use public funds to “develop out” the communities who have long made this community a vital part of our city. It is critical that low-income residents and workers who will be subject to the impact of the priorities of the LMDC, the Governor and the Mayor have both a voice and power to ensure that their community is developed in a sustainable and inclusive manner. These authorities must be accountable to all community members, not just those who have traditionally held the purse strings.