



NEW YORK STATE SENATOR

Brian Kavanagh

Joint Electeds Letter to State Agencies re 5WTC Board Votes

BRIAN KAVANAGH May 17, 2023

| ISSUE: **5 WORLD TRADE CENTER**

May 15, 2023

Kevin S. Law

Chair, Board of Directors Empire State Development 633 Third Avenue

New York, NY 10017

Holly M. Leicht

Chair, Board of Directors

Lower Manhattan Development Corporation 22 Cortlandt Street

New York, NY 10007

Kevin J. O'Toole

Chair, Board of Commissioners

Port Authority of New York & New Jersey 4 World Trade Center, 150 Greenwich Street New

York, NY 10007

Dear Mr. Law, Ms. Leicht, and Mr. O'Toole:

We write regarding the meeting of the Lower Manhattan Development Corporation's Board of Directors scheduled for tomorrow, May 16, 2023, the meeting of the Port Authority of New

York & New Jersey's Board of Commissioners on May 25, 2023, and the meeting of Empire State Development's Board of Directors that is expected to be held this month. We understand that at these meetings, the three respective Boards plan to take action to proceed with the proposed project at World Trade Center Site 5 and related real estate transactions. We write to express our strong opposition to moving forward with these public approvals before securing the additional resources necessary to increase affordability at the site, and we strongly urge you to pause and reconsider.

Over the course of the past two years, elected officials, Community Board 1, and community advocates have engaged in numerous discussions with your agencies and urged you to find a path to providing more affordability in the proposed building, which is located in a community that has lost affordable housing at a particularly high rate for decades. All the elected officials, the Board, and the community advocates have consistently emphasized that additional affordability, with clearly identified sources of funding to support it, is a prerequisite to supporting the project. The decision by your agencies to unilaterally proceed to seek formal public approvals at this time comes as a surprise to us and to many others who have been involved in these discussions on behalf of the community, and undermines the basis for those discussions.

World Trade Center Site 5 is, of course, publicly owned land, the last piece of the World Trade Center campus to be rebuilt, and a tremendous opportunity to bring large-scale affordable housing to Lower Manhattan. It seems more than reasonable to expect that public agencies that control a major development site in a community where affordable housing is so scarce would provide greater levels of affordability than we might expect from deals that are typically done on private development sites. In contrast, the deal you are proposing to approve provides no meaningful subsidy other than the property taxes or payments in lieu of taxes that the City of New York will forgo, a benefit that a private property owner might

expect to receive for a development on a private site that offers the levels of affordability you're proposing.

Until recently, the agencies had suggested that up to \$30 million might be available from the Lower Manhattan Development Corporation to invest in this project to provide for additional affordability. While we understand that the U.S. Department of Housing and Urban Development has indicated that those funds cannot be used here because of technical concerns related to the timing of the project, we appreciated the effort to make those public funds available for this project and the acknowledgement that public funds might be appropriately spent for this purpose were HUD to have permitted it. We believe that in this spirit, your agencies should continue to work with the State and the City, the developers, and with all of us, to identify additional sources of funding, or concessions on the land and development costs, to increase affordability, as an essential part of this project. We are extremely disappointed that you now appear poised to reject that premise and move ahead without identifying the necessary funding. Again, we strongly urge you to pause and reconsider.

Thank you for your consideration. If you would like to discuss this request, please feel free to contact any of us directly or via Emily Leng in Senator Kavanagh's office at 212-298-5565 or eleng@nysenate.gov.

Sincerely,

Brian Kavanagh, State Senator

Dan Goldman, Congressman

Charles Fall, Assembly Member

Mark Levine, Manhattan Borough President

Christopher Marte, Council Member