



**||| ■ LMDC Funding Allocation Framework:  
Draft Principles and Objectives, Priorities,  
and Allocation Options**

**A**s illustrated in this report, the unprecedented amount of public dialogue surrounding the revitalization of lower Manhattan has been an integral part of the planning process and the identification of funding initiatives. Funding to date has focused on revitalizing the neighborhood's residential and business community, creating short-term improvements that will enhance the quality of life of residents and workers, and implementing initiatives that will market the area and attract visitors.

In November of 2004, Governor Pataki called upon the LMDC to work with the City and State to create a draft plan for the allocation of remaining CDBG funds. In response, the LMDC has put forth the following Allocation Plan, which outlines the draft Principles, Objectives, Priorities, and Allocation Options that the LMDC plans to consider to move forward with identifying eligible projects to be funded. This draft document outlines general objectives for the remaining funds, including the creation of a fitting memorial, investing in the World Trade Center site, developing Lower Manhattan with a focus on the vital components of a diverse, mixed-use neighborhood, creating a connected community, and implementing a cohesive, coherent plan for transit access. These objectives relate to the Principles for Action, as described in Chapter 2 of this report. The Allocation Plan also outlines draft principles by which projects would be excluded from eligibility. The Plan outlines the process by which potential projects would be identified and considered as near-term or long-term priorities, as well as the various options that the LMDC, the City, and the State might pursue to fund projects in the near-term and long-term.

As with each phase of this tremendous effort, the LMDC once again invites the public to participate in dialogue about the Allocation Plan. The LMDC will be accepting public comment on the Allocation Plan through May 1, 2005. Members of the community can provide written comments via the LMDC website, [www.renewnyc.com](http://www.renewnyc.com) in the Funding Initiatives section, or via regular mail to the following address:

Comments on draft LMDC Allocation Plan  
1 Liberty Plaza, 20th floor  
New York, NY 10006

## **Draft Funding Allocation Plan**

### **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. As with each phase of this tremendous effort, the LMDC once again invites the public to participate in a dialogue about these objectives, principles, and priorities.

**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 11th, 2001. Following are the objectives the LMDC seeks to pursue with its remaining funding:

- Create a fitting memorial to those lost on September 11th, 2001 and February 26, 1993, that will honor the victims and forever respect this place made sacred through tragic loss;
- Invest in public infrastructure at the 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 include, in no particular order:**

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

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 (again in no particular order) set out priorities that have been identified by the LMDC:**

- Memorial complex
- WTC site (including public infrastructure)
- Planned high-impact, large-scale off-site initiatives
- Long Island/JFK Rail Link
- 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.

