

Recovery Snapshot:
LMDC Residential Grant Program

Grantee: New York City

Grants awarded: over \$227 million

Administering Agency: Lower Manhattan Development Corporation

Number of Properties: 1,745

Program ended: 6/7/2002

Businesses Assisted: 156

Program ended: 8/31/2005

Households benefiting: 39,805



Impact of the Disaster: The World Trade Center disaster had an immediate negative impact on the housing market in lower Manhattan, which resulted in a significant increase in vacancy rates. The *U.S. Housing Market Conditions Regional Activity Report* issued by HUD reported that lower Manhattan rental rates were down approximately 10 to 15 percent. After September 11, 2001, approximately one-third of Battery Park City rental tenants did not return to their apartments. Some rental prices fell 30 percent in Battery Park City and rents in the Financial District fell from 16 to 21 percent on average. Owner-occupied housing saw a similar downturn in the aftermath of the tragedy. Real estate agents estimated a 10-percent to more than 25-percent drop in apartment prices between September and December 2001. By January, very few units had sold in Battery Park City while some were still listed at 15 percent below September prices.

Program Description: The program was designed to encourage individuals to move to or remain in housing in lower Manhattan and required the creation of significant incentives to encourage individuals to renew existing leases, sign new lease agreements, or purchase residential units. The following are the major components of the program:

- Grants equal to 30 percent of the monthly rent, up to a maximum of \$12,000 over 2 years, to individuals who signed leases for at least 2 years in Zone 1, the area most affected by the World Trade Center disaster.
- Grants equal to 30 percent of the monthly rent, up to a maximum of \$6,000 over 2 years, to individuals who signed leases for at least 2 years in Zone 2.

DRAFT

- Grants of \$1,000 to individuals who resided in designated areas prior to September 11, 2001, and continued to reside in the area through the date of application and grant award, which represented a 1-year commitment to the area.
- Grants of \$12,000 and \$6,000 were available for owner-occupied units for mortgage payments, maintenance costs, and real estate and related taxes.
- Certain conditions regarding rent-regulated units, and health, safety, and habitability of buildings applied.

Coordinating the Recovery Effort: The Residential Grant Program was launched in August 2002. Over 140,000 applications were distributed throughout Lower Manhattan at over 130 locations including community centers, elected officials offices, Community Board offices, senior centers, residential developments, libraries, and at two full service LMDC Residential Grant Program Community Offices located in TriBeca and Chinatown. Over 25,000 applications were downloaded from the LMDC website, www.RenewNYC.com.

LMDC's outreach campaign was broad and included working with landlords, co-op and condo boards, media, and local community organizations to ensure that all residents, potential residents, and owners were aware of the program. LMDC launched the "It Pays to Live Downtown" campaign in January 2003. That campaign featured city-wide "It Pays to Live Downtown" advertisements placed in local papers, subways, bus stops, and phone booths throughout February and March 2003. Additionally, LMDC mobile application teams visited all residential buildings in Lower Manhattan where no one had yet applied for the grants.

LMDC had a multilingual hotline (1-866-RenewNYC) to answer questions about eligibility for the program, the status of applications, recertifications, and other issues. This hotline operated Monday through Friday from 9:00 AM to 5:00 PM. LMDC provided multiple ways for residents to apply for the LMDC Residential Grant Program. Applicants were able to mail in applications, apply via the hotline, and make appointments at the Chinatown office at 225 Park Row or the TriBeca office at 68 Reade Street to meet with an eligibility specialist and receive help in filling out the application. All of LMDC's Residential Grant Program services, including our web site, hotline, offices, and outreach, provide all services in English, Chinese, and Spanish. LMDC also hired a not-for-profit organization to provide services to individuals who speak other languages.

Since the Residential Grant Program was first announced in February 2002, there has been a tremendous resurgence of interest in moving to Lower Manhattan, which is reflected in the increase in residential occupancy rates. For example, the occupancy rate of Battery Park City was 60 percent after the attack, rose to 74 percent shortly after the announcement of the draft plan, and is now over 95 percent. 53 percent of the residents in zone 1, the area closest to the World Trade Center site, are new residents to the area since September 11, 2001. The new and renewed commitment of residents to the area, despite the disaster, provides a strong foundation for the revitalization of Lower Manhattan.

For more information, visit

http://www.renewnyc.org/ProjectsAndPrograms/residential_grant_program.asp