

**The Reporters:**

Erik Engquist: (212) 210-0745

Matthew Sollars: (212) 210-0267

*Crain's Insider* is available Tuesday through Friday by 6 a.m.**Reproduction, forwarding or reuse in any form is prohibited.**

For customer service, call (888) 909-9111.

**Today's News Friday, August 08, 2008****Subsidized Housing Suffers**

The debate over the city's revamped incentive program for apartment construction still rages. Developer Jed Walentas says with the 421-a program now less generous, developers are instead building "80-20" rental projects. Walentas predicts demand for tax-exempt financing for 80-20s will quadruple, to \$4 billion, and there won't be enough available. Builders are also snubbing the 50-30-20 model of subsidized housing. "The program is not overwhelmingly enticing," Walentas says. City housing officials say 421-a has increased affordable housing construction, thousands of 50-30-20 projects are in the pipeline, and \$600 million in new bond financing has been secured.

**Energy-Saving Streetlights**

A City Council bill would require the city to replace all standard streetlights with models that use light-emitting diodes, which use 70% less electricity. They also cost eight or nine times more than standard streetlights, although it's possible that LED prices would fall if a large city order created economies of scale. The bill, Intro 806, is being pushed by Councilwoman Jessica Lappin, D-Manhattan. It would give the city one year to make the switch. Decorative lamps would be exempted. Traffic lights received LEDs several years ago, but the city has no such streetlights.

**Oddo Taps Sheinkopf**

Although his likely opponent has changed, Councilman Jimmy Oddo says Hank Sheinkopf remains his pick to run his campaign for Staten Island borough president in 2009. The race was shaping up to be a contest between Oddo and Councilman Mike McMahon, who is now running for the borough's congressional seat. Oddo says he has spoken with the consultant and expects to "formalize an arrangement" early next year.

**Skelos Snubs Dems**

Senate Republicans say there will not be time in today's special session—called to pass property tax cap legislation—to take up energy proposals made by Democrats yesterday. Democrats want to expand the Home Energy Assistance Program to include middle-class families. Republicans say they've already passed a bill, S-8173A, that would provide a \$1,000 tax deduction to offset higher energy costs this winter. A similar bill did not pass the Assembly.

**Solidifying the Liquidation Bureau**

A Spitzer administration holdover is pushing forward with his overhaul of the New York Liquidation Bureau, an obscure but important agency that takes over failed insurance companies. Bureau chief Mark Peters began last year by ordering the first-ever audit of the agency, whose upper management from the Pataki administration had been rocked by scandal. (Previous chief Johanna Hall pleaded guilty in May to steering contracts and using bureau funds to pay for personal travel and babysitting.)

Peters says unearthing the agency's skeletons required digging through files so dusty that auditors wore masks. Computer tapes had disintegrated.

The audit should be completed this fall, but in the meantime Peters' own staff has discovered that the bureau was owed \$200 million in reinsurance. It has managed to collect 75% of that. Regular annual audits will follow, thanks to a state law requested by Peters and signed last month by Gov. Paterson. "You can't turn around an agency unless you're committed to transparency," says Peters, who formerly ran the corruption unit of Eliot Spitzer's attorney general's office. He reports to Insurance Superintendent Eric Dinallo.

The Liquidation Bureau is the largest of its kind in the nation, with \$3.2 billion in assets, and has an annual budget of about \$100 million. Peters says he cleared out the top staff and made other changes to institutionalize reform, such as reconstituting the panel of law firms from which the bureau retains legal help. He also plans to shrink the bureau's eight floors of offices at 123 William St. "We are going to consolidate and save millions of dollars," he says.

**At A Glance**

**HIRING:** The Brennan Center for Justice at the NYU School of Law is seeking applications for a six-month fellowship on voting rights. Candidates should have a J.D. and up to five years of legal experience. The deadline is Aug. 31. [Click here to learn more.](#)

**FUNDRAISER:** Democratic candidate Paul Newell will hold a fundraiser for his race against Assembly Speaker Shelly Silver on Thursday, Aug. 14. The event will be at the Manhattan bar Clandestino starting at 6 p.m. A \$10 contribution is requested. Visit the event's Facebook page for more information.

ADVERTISEMENT