

Testimony of Vicki Been
Commissioner of the New York City Department of Housing Preservation and Development
Fiscal Year 2015 Executive Budget

May 21, 2014

Thank you Chairman Williams and Chairwoman Ferreras for the opportunity to talk with the Committee about HPD's Fiscal Year 2015 Executive Budget.

As you know, the Mayor announced the Housing New York Plan and I appreciate the opportunity today to provide an overview of the Plan and how HPD's budget is aligned to successfully implement the plan.

Housing New York is a comprehensive plan to build and preserve 200,000 units of high-quality affordable housing over the next decade. The Plan will create opportunities for New Yorkers with a range of incomes, from the very lowest to those in the middle class, and will foster vibrant and diverse neighborhoods.

Under Deputy Mayor Glen's leadership, we convened 200 stakeholders and 13 different City agencies to provide input on the Plan.

We first sought to identify the key facets of the current affordable housing crisis. These included:

- The gap between rents and incomes;
- The high rent burden faced by renter-households across different income bands;
- Insufficient housing production
- And a limited supply of affordable units

With the driving factors of the crisis laid before us we then crafted guiding principles of the plan. These included:

- Address the City's changing demographics and expand who we serve;
- Revamping planning processes and land-use policies to promote density, better plan for growth, and engage communities from the ground up ;
- Making economic diversity the cornerstone of housing development;
- Using the City's tools and assets more efficiently and effectively;
- Strategically preserving past housing investments and lock-in affordability in changing neighborhoods;
- Stemming the tide of deregulation and protect tenants;
- Leveraging favorable markets;
- And increasing capital funding for housing.

The Plan then lays out strategies for how we are going to accomplish these goals. I won't go into each of these strategies in today's presentation, but I should point out the overarching components which including:

- Fostering diverse, livable neighborhoods
- Preserving the affordability and quality of the existing housing stock
- Building new affordable housing for all New Yorkers
- Promoting homeless, senior, supportive, and accessible housing
- And refining City financing tools and expanding funding sources for affordable housing.

Everybody has been very interested in our \$41.1B figure, so let's take a moment to talk more about the resources we're anticipating to make the plan a success. The \$41.1B reflects the total development cost over 10 years. This means all funding sources associated with a project. Of that total, \$8.2B is anticipated to come from direct City sources such as our capital budget or HDC contributions. We all know the challenges with Federal and State funding, but we are projecting nearly \$3B of funding from those sources over the next 10 years.

The major funding sources of this plan are actually from private sources. Housing projects leverage tremendous private investment – it's what makes our capital spending such good bang for your buck in the City. These are funding sources that we are already leveraging in our deals and areas where we hope to increase leverage. For example, private funds include the tax credit equity and HDC/HFA bond proceeds in our projects. These represent private investment dollars that are facilitated through our public programs. In addition, we require developer equity in certain projects. These are all private sources that are leveraged through our public investment.

The Mayor made a significant commitment by infusing \$1.2B into our capital plan over the next 5 years to ensure that we have the resources we need to successfully implement Housing New York. The total capital commitment is \$2.5B. This does not show, but it's very important to mention, the \$375M that the Mayor added to the budget for the Economic Development Corporation (EDC) to support infrastructure development that will unlock potential housing sites across the City.

The 5 year capital budget totals \$3.1B, with just over 80% of the funds provided by the Mayor. Our HOME funding continues to shrink as a proportion of our total budget. HOME funds are currently only 12% of this five year plan, but in 2009 they were just over 30% of the five year plan.

Unlike the Capital Budget, City funds are only a very small portion of our overall expense budget funding. The Executive Budget for FY15 totals \$538 million. As I explained during the Preliminary hearing, we work closely with OMB to adjust our budget over the course of the year to reflect grant approvals, funding rolls, and other technical adjustments. However, our base tax levy funding will likely remain around 10% of our total budget and so we continue to monitor the budget discussions in Washington with baited breath.

In addition to the Capital funding, the Mayor has provided additional operating support that we anticipate will provide for approximately 65 new staff for the agency. Each part of the agency's mission will benefit from this increase in staff. The plan is about more than just production and preservation of 200,000 units. We need our Office of Enforcement Services adequately staffed to ensure that we are preserving the quality of the existing housing stock, and we need our Office of

Asset Management adequately staffed to protect our previous investments and ensuring that our properties are well maintained and financially stable.

In addition, there are new resources available to increase our efforts on distressed properties and neighborhood preservation as well as new funding for the M/WBE program that we are launching with the Department of Small Business Services.

I would like to continue our efforts to strengthen coordination between HPD and the City Council. There are many opportunities on the horizon for the City Council to play a critical role in facilitating the Housing New York plan and creating resources to support HPD's activities:

- ERP Interest Rate - The City will seek local legislation to ensure that liens for such work bear interest at the same rate as any other defaulted tax lien.
- Tax Lien Sale – Legislation requires renewal in 2014 and HPD would like to explore ways to address the statutorily distressed properties and change the exclusion thresholds in order to best assist troubled properties.
- SCRIE Implementation – The City wants to streamline program implementation through consolidation with Department of Finance.
- Reso A & Discretionary Allocations – We want to align City Council funding and HPD's activities to maximize the impact of our programs
- Strengthen Community Engagement – HPD wants to work directly with City Council members to understand district needs and identify opportunities for new development or properties that need our help. We want your help to identify opportunities for co-locations of housing and services and promoting mixed use communities.

HPD is already busy at work implementing the Housing New York plan. I look forward to working with you as we move forward with implementing Housing New York. Thank you and I welcome any questions.

Fiscal Year 2015 Executive Budget Hearing

May 21, 2014

Vicki Been
Commissioner

Housing New York: A Five-Borough, Ten-Year Plan

The Plan is an interagency strategy outlining over 50 initiatives to support our goal of building or preserving 200,000 units of high-quality affordable housing. The initiatives serve our four main goals, to:

- Foster thriving and inclusive neighborhoods
- Improve and preserve the affordability and quality of our existing housing stock
- Build unprecedented numbers of new affordable homes
- Better serve the homeless and those most in need of support

Guiding Principles

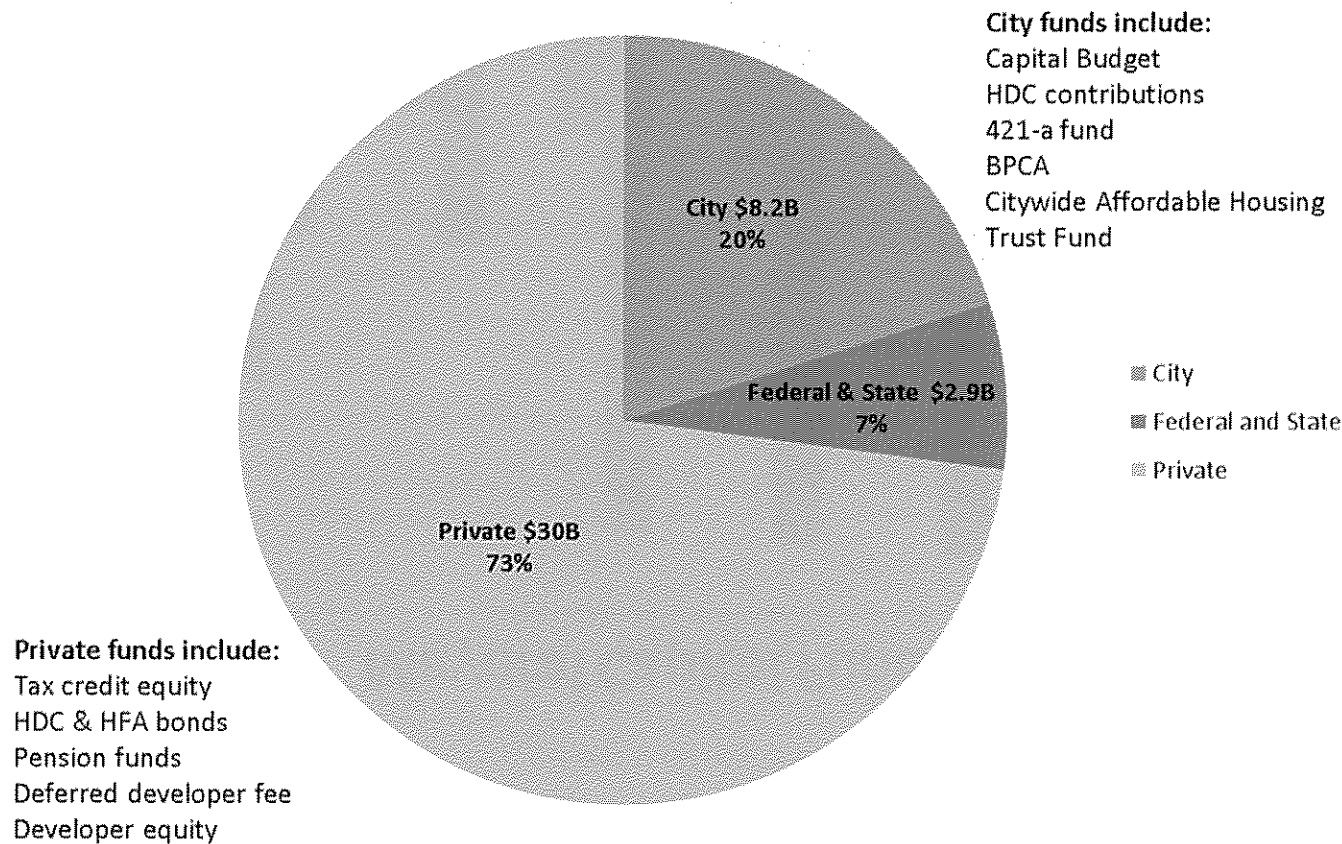
1. Address the City's **changing demographics** and **expand who we serve**
2. Revamp the City's planning processes and land-use policies to promote **density** and **better plan for growth** through a **ground up community based process**
3. Make **economic diversity** the cornerstone of housing development
4. Use municipal tools and assets more effectively
5. Strategically **preserve** past housing investments and lock-in affordability in changing neighborhoods
6. **Stem the tide of deregulation** and protect tenants in rent-regulated units more aggressively
7. **Leverage** favorable markets
8. Increase **capital funding** for housing

Key Features of *Housing New York*

- 200,000 units built or preserved over 10 years
- Proposed City Investment: \$8.2B
- Total Development Cost: \$41.1B
- 60% Preservation / 40% New Construction
- 200% increase in extremely low income units (<30% AMI)
- 50% increase in moderate income units (80%-120% AMI)

Resources to Implement the Plan

Total Development Cost is projected to be \$41.1B over ten years

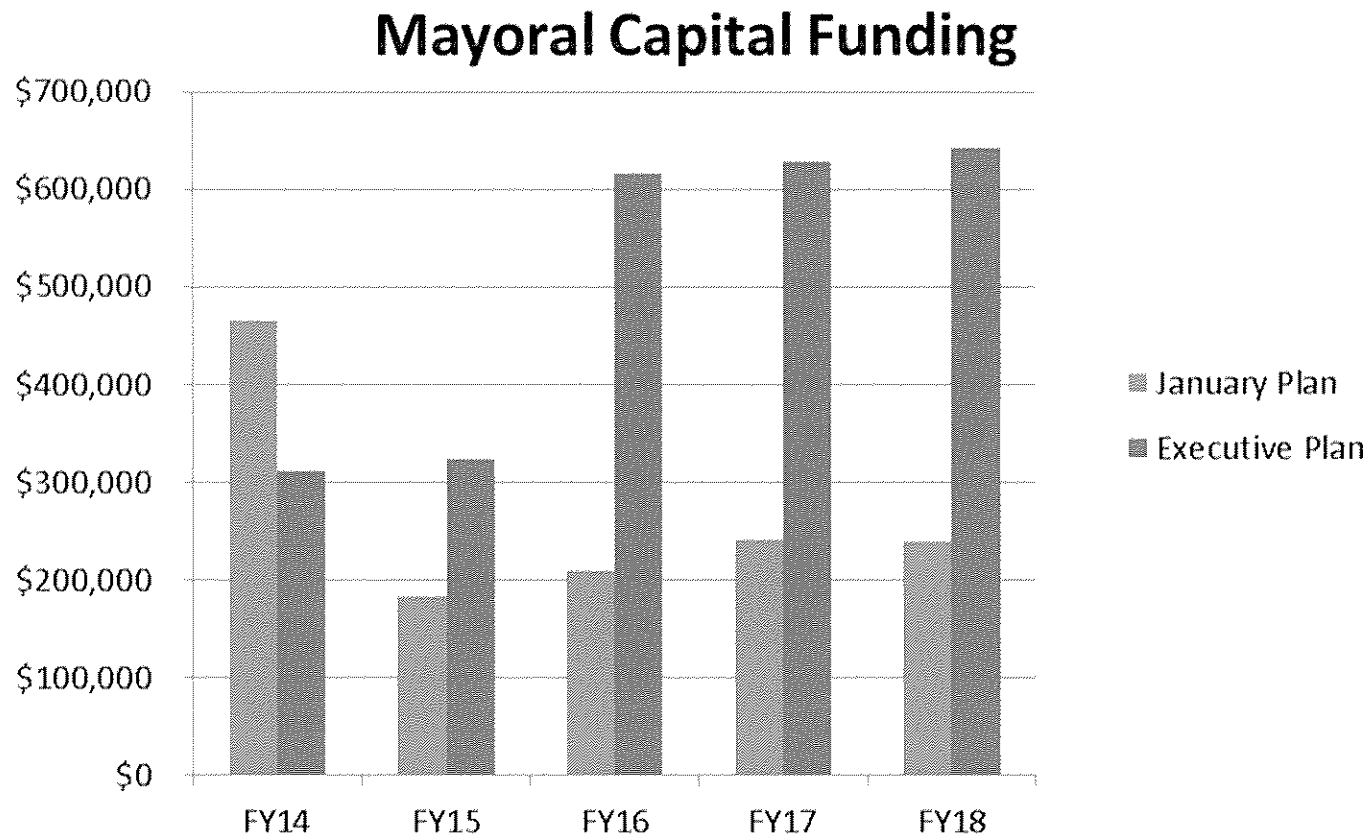


Other agencies will devote additional capital to fund infrastructure development

- EDC has \$375M in planned infrastructure projects that can directly support new housing developments (ex: Hunters Point South, Coney Island)

FY15 Executive Budget – Capital Budget Change from Preliminary

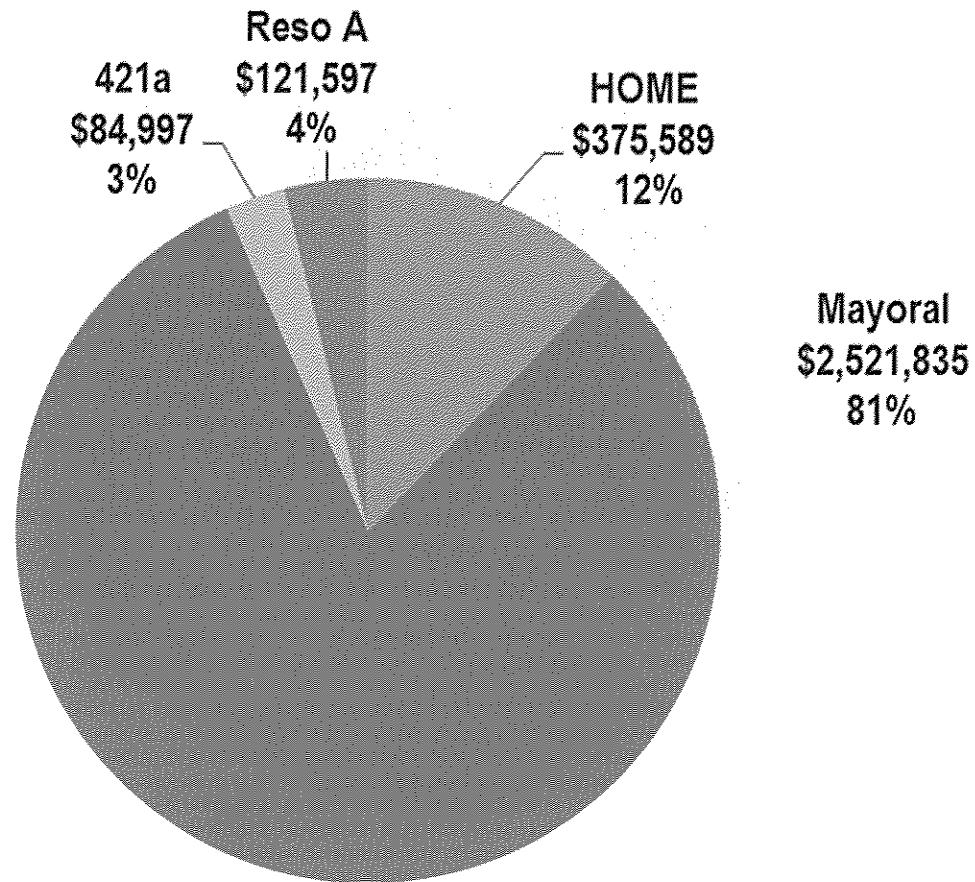
The Mayor has doubled the agency's capital budget for the next five years with the infusion of an additional \$1.2 billion in funding.



Note: Figures in chart are in thousands

FY15 Executive Budget – Capital Budget Sources & Uses

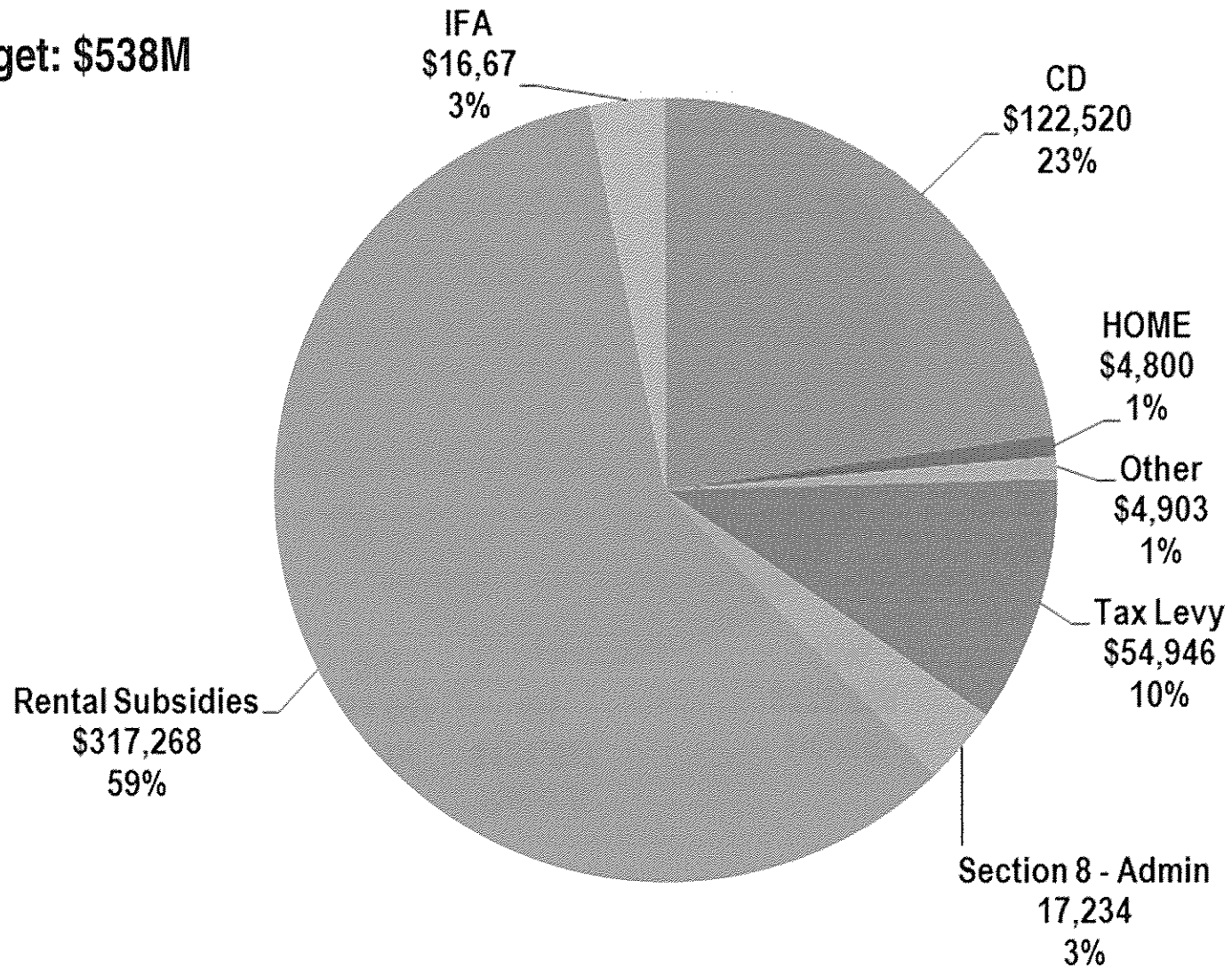
5-Year Plan Total: \$3.1B



Note: Figures in pie chart are in thousands

FY15 Executive Budget – Expense Budget

FY15 Budget: \$538M



Note: Figures in pie chart are in thousands

New Needs in Expense Budget

- Tax Levy funding of **\$1.6M** to support staffing across the agency
 - Combined with IFA and CD funding, HPD anticipates hiring an additional **65** new staff
- Tax Levy funding of **\$1M** to support staff working with distressed properties and increase our neighborhood development strategies
- Funding for M/WBE Training program in coordination with Small Business Services

City Council & Legislative Opportunities

- ERP Interest Rate - The City will seek local legislation to ensure that liens for such work bear interest at the same rate as any other defaulted tax lien.
- Tax Lien Sale – Legislation requires renewal in 2014 and HPD would like to explore ways to address the statutorily distressed properties and change the exclusion thresholds in order to best assist troubled properties.
- SCRIE Implementation – We can streamline program implementation through consolidation of HPD's program with Department of Finance.
- Reso A & Discretionary Allocations – Align City Council funding and HPD's activities to maximize the impact of our programs.
- Strengthen Community Engagement – HPD wants to work directly with City Council members to understand district needs and identify opportunities for new development or properties that need our help. We want your help to identify opportunities for co-locations of housing and services and promoting mixed use communities.

Next Steps

The plan lists ten key steps that the agencies will take immediately to begin to implement the plan

- E.g., DCP, working with HPD, will initiate and expedite the completion of a study to provide the foundation in land use policy for incorporating a mandatory Inclusionary Housing Program into the Zoning Resolution
- Each agency involved will begin implementing the steps it is responsible for, and developing systems and metrics to track progress

Q&A

Thank You!

Questions?

FISCAL YEAR 2015 EXECUTIVE BUDGET HEARING
New York City Council – Finance and Housing & Buildings Committees
Testimony by NYC Department of Buildings Acting Commissioner Thomas Fariello, RA
May 21, 2014

Good afternoon, Chair Ferreras, Chair Williams and members of the Finance and Housing and Buildings Committees. I am Thomas Fariello, Acting Commissioner of the New York City Department of Buildings. I am joined by Executive Director of Budget and Fiscal Operations Edwin Pemberton and other members of my staff.

Our Department's core mission is to advance public safety, enforce the laws that govern construction and facilitate compliant development. We continually seek innovative ways to allow safe and compliant construction to move forward faster.

Today I'll review our proposed budget, headcount, staffing, and critical safety and development initiatives.

Construction activity remains busy this Fiscal Year. Through April 30 and compared to the same period last year, we have issued more than 71,200 initial New Building and alteration permits. This is an increase of approximately 11%. Of those, 1,760 are for New Building permits, which is an approximate increase of 43%.

We are also observing an increase in square footage. Through April 30, the square footage in New Building permits issued totaled more than 29.7 million square feet. During the same time period last Fiscal Year, the total was less than 22 million square feet. Citywide, this is a 36% increase.

I) **OVERVIEW OF PROPOSED BUDGET, HEADCOUNT AND STAFFING**

The Fiscal Year 2015 Executive Budget allocates approximately \$107 million in expense funds to our Department. This excludes fringe benefits. Of this, approximately \$86 million is for Personal Services (PS) and \$21 million is for Other Than Personal Services (OTPS). As of the Fiscal Year 2015 Executive Plan, the Department's budgeted headcount is 1,168.

Since the Preliminary Budget in March, there has been an \$8 million increase in funding to our Expense Budget for the following initiatives:

- | | |
|--|---------------|
| 1. Build It Back Staffing and Facilities | \$4.0 million |
| 2. Development Hub Inspection Staffing | \$2.0 million |
| 3. Vehicle Replacement Program | \$1.0 million |
| 4. Overtime to Reduce Complaint Backlog | \$0.8 million |

For the Build It Back Program, which assists New Yorkers affected by Hurricane Sandy, the Department's role is to support rebuilding and repairs. This initiative will increase our workload, and staffing resources are needed. As part of the November Plan, the Department was funded 17 positions. Since my Preliminary Budget testimony, we have selected all 17 candidates for those vacancies. We anticipate all 17 of these employees will have started with our Department by the end of June.

Within the past two weeks, additional funding was announced in the Executive Plan. It provides funding for 27 additional lines to support Build It Back. We are actively recruiting candidates for these new staff positions. The total Build It Back staffing for Fiscal Year 2015 will be 44 positions consisting of: 15 plan examiners; 21 inspectors; 7 support staff members; and 1 director.

For Fiscal Year 2015, there were additional adjustments. A total of \$2 million was restored to the Department's budget to extend the Development Hub's *Inspection Services* program.

To maintain an efficient and effective fleet, \$1 million in funding was added to improve productivity by replacing poorly functioning vehicles. The Department has 225 vehicles for our inspectors.

In addition, \$800,000 was added to restore overtime funding to further reduce response time to non-emergency, quality-of-life complaints.

The Fiscal Year 2015 Executive Budget revenue plan is approximately \$173 million.

II) **SAFETY AND ENFORCEMENT**

The Department of Buildings advances construction safety in multiple ways. Our permit process holds applicants accountable. Our reviews confirm that plans meet Building Code safety standards and zoning regulations. Our inspections and emergency response focus on field safety.

Construction can have inherent risk. It often requires close coordination of many people performing simultaneous tasks within a small footprint. For this reason, a multi-pronged approach is necessary to advance construction safety. I would like to highlight some of our internal and public safety programs for you.

Our **Inspector Training Academy** has been a great success in strengthening our team. Since 2012, we have been hiring and training inspectors in groups.

Before being assigned to field operations, these recruits must complete a 12-week training program that spans 41 courses. Through the 480-hour program, they balance traditional classroom study with hands-on field work. To date, 91 inspectors have graduated, and 18 more are on track to earn their badges next month.

We also work to expand the industry's knowledge base. This year marked our 10th Annual **Construction Safety Week**, when we perform safety outreach events at construction sites and host an extended Homeowner's Night in each of the Department's borough offices. We have bolstered Safety Week with our annual **Build Safe | Live Safe Conference**. This program consists of highly technical seminars for industry members on construction safety. To reach more people in the industry, we have posted this year's presentations on the Department's website.

In addition to employee and industry education programs, we continue to reach workers at their jobsites. In the coming weeks, we are expanding our **Experience Is Not Enough** campaign to provide construction workers with life-saving information on how to prevent material failures and falls. The Buildings Enforcement Safety Team and the Scaffold Safety Team will distribute these guides at sites throughout the City and speak with workers to answer questions. We are launching this effort in June in conjunction with OSHA's national "Safety Stand-Down Campaign", which also focuses on preventing worker falls.

Our **Build Safe | Live Safe** motto reflects that construction safety does not end with a Certificate of Occupancy. Through our **Living Safely** campaign, we educate New Yorkers on the dangers in unsafe or illegal living conditions. We created flyers in 11 languages to teach tenants how to identify potentially illegal apartments and rooms –

and to explain how people can protect themselves. To date, we have distributed 180,000 flyers. We have also extended our outreach efforts to young New Yorkers. Our Annual **Elevator and Escalator Safety Week** is a good example. Our elevator experts visit elementary schools citywide to teach students how to use elevators and escalators properly.

Our enforcement units perform multiple duties. For example, our Emergency Response Team operates 24 hours a day, seven days a week, often supporting the Fire Department in emergency response and investigating after-hours construction. In addition to emergency response, our Scaffold Safety Team conducts proactive inspections of sidewalk sheds and scaffolds to ensure compliance and structural integrity.

These efforts complement our core mission of enhancing construction safety, which expands beyond means and methods. We continue our commitment to **update the inventory of cranes** operating in New York City. Cranes manufactured today have modern safety features and tend to be electric. Because they are not diesel-powered, they are less noisy and produce fewer emissions. For these reasons, we are reducing the average age of the tower cranes operating in New York City. In 2008, the average age of this equipment was nearly 15 years. Today, the average age of tower cranes operating here is just over 9 years. As part of this effort, we have issued cease-use orders for two models of cranes manufactured in the 1970s and 1980s, and we have removed 36 tower cranes from operation.

III) **DEVELOPMENT**

Safety and enforcement are fundamental to development. In addition to our ongoing expansions of the **NYC Development Hub**, we are supporting the Mayor's progressive

agenda. To facilitate timely approvals and sign-offs, the Hub will centrally manage all filings and inspections related to Universal Pre-K, Build It Back and affordable housing.

Currently, our construction experts are providing support for the Mayor's **Universal Pre-Kindergarten** initiative. We are working with the Mayor's Office on the construction process and zoning requirements for new pre-K classrooms.

Simultaneously, we are moving forward with our role in the **Build It Back Program**, which assists with Hurricane Sandy recovery. We have worked with Build It Back architects and engineers and approved a prototype for new homes. This will streamline the approval process once our Department receives Build It Back applications. In addition, we have restructured our approval process for Sandy recovery projects. While we typically meet with the homeowner's design professional, property owners are *included* in Sandy-related projects. This empowers them by giving direct access to our experts.

Our mission to advance safe construction dovetails with the Mayor's commitment to **create and preserve affordable housing**. We are coordinating with our sister agencies to hold unscrupulous landlords accountable. For example, we are taking enforcement action against landlords who are performing unpermitted work – such as removing kitchens and bathrooms – to force rent-stabilized tenants from their homes.

Regarding the NYC Development Hub, this initiative transformed our approval process into a collaborative, entirely electronic platform. To date, the Hub's plan examiners have approved more than 1,800 New Buildings and major alterations.

Building upon that success, we created **Hub Self-Service**. This extended the Hub's online convenience to smaller projects, and we now issue permits online, typically within one business day. Licensed design professionals working on projects such as sidewalk sheds and façade repairs can submit their professionally certified plans, pay the fees and have permits issued – all without having to leave their offices.

Similarly, **Hub Full-Service** supports small business owners who perform more minor construction projects, such as apartment renovations and office improvements. This work comprises most of the construction in New York City, so easing the approval process was important. With *Full-Service*, we offer virtual plan examinations for minor alterations. Since its November 2013 launch, Hub *Full-Service* has made more than 1,000 approvals.

Of course, the construction approval process continues beyond plan approvals, which is why we created **Hub Inspection Services**. When initially announced in 2011, we set a goal of performing every electrical, plumbing and construction inspection within 10 days of an appointment request. By re-aligning operations, leveraging technology and centralizing command of resources, we are performing within our 10-day goal.

We are launching more development and construction initiatives. Thanks to support from City Council, our **2014 Construction Codes** will go into effect on October 1. Our experts have been meeting with industry organizations to explain the upcoming changes.

We are now looking toward our next major code project – creating the **Existing Building Code**. We will begin this process in October, after the 2014 Codes are in effect.

Currently, identifying the proper code to use can pose a challenge for architects and engineers. This new Code will combine the 1938 and 1968 Building Codes and allow for easier use. Once we complete this new initiative, we will have just two key codes: a new one for existing buildings and the 2014 Code for new construction.

Finally, in June we will be expanding our weekly Homeowner's Night to include small businesses in each borough office. Currently, we provide after-hours assistance to homeowners who need to remedy violations or who have zoning questions. Because small business owners often need the same personalized assistance for their renovations, we will be expanding this support for their needs, as well.

IV) CONCLUSION

In closing, I would like to reiterate my appreciation for your support, and I look forward to working together, protecting all New Yorkers, including the hundreds of thousands of construction workers who build our City. I would be happy to answer any questions you may have. Thank you.

DEPT. OF BUILDINGS-- Fiscal 2015 Executive Budget Hearing
Housing & Buildings Committee
Council Member Jumaane D. Williams, Chair
May 21, 2014

Proposed Questions for Acting Commissioner Fariello

DOB unanswered follow-up question from Preliminary Budget Hearings.

- The number of residential illegal conversion complaints that resulted in a written violation in Fiscal 2014 where the Department was able to obtain access.
- Details and/or copies of MOU's with NYCHA related to building inspections; and in addition, clarification on whether DOB issues written violations to NYCHA units.
- Information on how many unsafe buildings received court-ordered remedies, and if appropriate, this information on the borough level.

DOB Fiscal 2015 Expense Budget

	FY12	FY13	FY14	FY14 as of	FY15	*Change
	Actual	Actual	Adopted	FY15	Exec.	FY14 - FY15
<i>Dollars in Thousands</i>				Exec. Budget	Budget	
Budget by Program Area						
Personal Services	\$76,546	\$78,376	\$84,632	\$84,966	\$86,264	\$1,632
Other Than Personal Services	18,500	24,105	22,655	22,800	20,989	(1,666)
TOTAL	\$95,046	\$102,482	\$107,287	\$107,695	\$107,253	(\$33)

*Change from Fiscal 2014 Adopted to Fiscal 2015 Executive Budget.

Build it Back Program

The Department is adding \$3.97 million in Fiscal 2015 for costs related to plan review and inspections for the City's Build it Back Program.

1. In Fiscal 2015 DOB is budgeting 44 positions for Build it Back work, including 15 plan examiners, 15 inspectors, 6 plumbers, 6 administrative staff, and 2 directors in Fiscal 2015 at a total cost of \$2.9 million.
 - a. How much of an increase in volume of plan reviews is the Department anticipating?
 - b. What is the duration of time these positions are budgeted for?

2. Additionally, DOB will be merging Build it Back staffing with NYC Development Hub staffing at 80 Centre Street. Can you elaborate on the nature of work they will be collaborating on?
3. What is the reason for the move to 80 Centre Street?

NYC Cool Roofs

4. Can you elaborate on the details of this program? How does a building sign up for this program?
5. How many building rooftops were painted in Fiscal 2014?
6. What is the timeframe for a building to receive a "Cool Roof", from the time of registration to the time of completion?

Building Code

7. When will DOB begin working on the existing building code?

New York City Economic Development Corporation
New York City Council Oversight Hearing:
Fiscal Year 2015 Executive Budget Testimony
Kyle Kimball, President
May 21, 2014

Introduction

Good afternoon Chairpersons Ferreras, Garodnick, Cornegy, and members of the Committees on Finance, Economic Development and Small Business. I am Kyle Kimball, President of the New York City Economic Development Corporation, or NYCEDC, and I am pleased to testify before you today. Together with NYCEDC's Chief Operating Officer Zac Smith and other members of my staff, I will briefly discuss our operating and capital budgets, as well as a few of the principles that will guide NYCEDC's work over the coming months.

NYCEDC Background

NYCEDC is a not-for-profit that operates under two annually-renewed contracts with the City: a Master Contract and a Maritime Contract. Under the leadership of Deputy Mayor for Housing and Economic Development Alicia Glen, we are working hard to cultivate a strong and diverse economy with opportunity for all New Yorkers. To accomplish these goals, we have three primary functions. First, we manage a wide range of capital construction projects on behalf of the City, and are also responsible for managing some of the City's major assets—an approximately 60 million square-foot portfolio of about 150 properties ranging from food distribution centers to cruise terminals to commercial properties. Second, we execute real estate transactions on behalf of the City, helping to revitalize and establish vibrant neighborhoods by inducing projects that provide high-quality jobs affordable housing and community amenities. Third, we functionally serve as a think tank and foundation, making strategic programmatic investments to diversify and strengthen our economy.

NYCEDC Structure and Budget

NYCEDC is designed to be a self-sustaining entity. We receive no operating funds from the

City, deriving revenues primarily from property management, financing fees, and land sale proceeds. NYCEDC utilizes the revenue generated by our assets not only to make financial contributions to the City, but to make strategic investments, either as reinvestments into our own assets or to fund our broad spectrum of programs and services. The funds we receive from the City are strictly in the form of City capital, directly allocated for specific projects. We receive minimal tax levy from the City, none of which is for EDC's daily operations.

With respect to NYCEDC's financial contribution to the City, we make required annual contract payments and also include payments to eliminate the gap, or PEGs, that largely take the form of additional contributions to the general fund. In FY15, we expect our total payments to the City will be approximately \$88 million. From 2001 through 2015, it is expected that NYCEDC will have made payments to the City totaling approximately \$1.6 billion when land sale revenues are included.

So while our operations are self-sustaining as an organization and we serve as a revenue generator for the City, we depend on City capital to realize many projects, particularly those that have the capacity to have truly transformative outcomes.

Current Economic Conditions and Inequality

Since the recession in 2008/2009, NYC's economy has greatly outperformed the nation, as measured by jobs created. The flip side of that coin is that, while the number of jobs is up, many of these jobs are in lower-paying sectors, with little to no opportunity to ladder up—rather than higher-paying jobs that would allow more New Yorkers to enter and stay in the middle class. A growth of lower-wage jobs means the poverty rate has remained flat since 2000, but in absolute numbers, more New Yorkers are actually below the poverty line because of population increases. In fact, a recent study found that 46% of New Yorkers are at or near the poverty level, with an increase seen among households with two working adults. And the growth of low-paying jobs, combined with increasing pay at the very top, has significantly increased the gap between rich and poor in recent years.

This current path is simply unsustainable, and renders our economy less resilient, if and when there is another economic or exogenous shock to the system. So the pressing questions become: what tools do we have to combat economic inequality, and how can we best use them? And how can we meet the challenge of both transforming the economy AND making it resilient for generations?

Brooklyn Army Terminal

The Mayor has proposed funding for a number of key NYCEDC projects that we believe help meet this challenge. Just yesterday the Mayor visited the site of one of these projects, the Brooklyn Army Terminal, or BAT, where the administration has called for \$100 million to be invested in the development of 500,000 square feet in BAT's Building A from raw, unusable space to fully leasable space that can support dozens of industrial companies and create thousands of jobs. This is a significant step forward in the City's 30-year history of investing tens of millions of dollars in activating BAT, where more than 3 million square feet of leasable space is now 99% occupied by approximately 100 tenants employing more than 3,600 people. Tenant companies include firms performing textile, furniture, and small electronic and even chocolate manufacturing. . .we invite you to do quality control on that particular product yourselves.

The activation of this additional 500,000 square feet is estimated to create nearly 1,800 permanent jobs—including both quality jobs at tenant industrial companies as well as area jobs induced by the increased activity and foot traffic to the area, as well as approximately 600 construction jobs. This \$100 million in City capital funding will complement an additional \$15 million EDC is separately investing in the total renovation of the Administration Building, bringing its entire 50,000 square feet online and ready for occupancy in 2016, creating an additional 100 jobs.

Jobs in the industrial sector are widely acknowledged as good, well-paying jobs, offering skills acquisition through apprenticeships and training as well as opportunities for advancement. It is because of this that yesterday the Mayor chose to announce the City's 'Jobs for New Yorkers' Task Force at BAT, drawing attention to not just the thousands of good jobs already created there, but to

the facility's immense potential going forward. (And of course you all have an open invitation to visit BAT and see it for yourself.)

Workforce Development and Industrial Sector Support

But despite BAT's successes, there is still more to do. We will enter BAT's next phase of activation in conjunction with further efforts to connect this extraordinary site with the surrounding community, especially with respect to workforce development. As one of the leaders along with Commissioner Torres-Springer of the Jobs for New Yorkers Task Force, I will be working with my colleagues to take a comprehensive "blue-sky" look at how NYCEDC prepares New Yorkers for the jobs of today and tomorrow. We have existing workforce arrangements in place at BAT, but this is certainly an area where we could improve our efforts. Our goal is to ensure that when employment opportunities are available they can be filled by area residents who have the skills to perform them, and consequently benefit from stable, local, quality employment. Partnering with the local business community, we aim to create a real-time feedback loop so that our workforce development efforts are a reflection of the current and future demands for skills. We intend to connect as many local residents not only to new employment opportunities at BAT but also to other private industrial developments in Sunset Park, looking to other successful workforce development programs at industrial sites, such as the Brooklyn Navy Yard, to identify best practices in this area.

Further, this major investment in BAT connects to our ongoing work to support the industrial and manufacturing sectors. We are currently conducting a comprehensive study looking at ways we can support, retain and even grow these critical businesses – and the quality jobs they provide – throughout the entire city, and we look forward to sharing our findings with you later this summer.

Major Infrastructure Projects Funded in the Executive Budget

The Mayor has also proposed new funding in the executive budget to advance several major infrastructure projects across the city, with the express purpose of unlocking the potential for

transformative neighborhood creation or revitalization—including thousands of units of affordable mixed-income housing, commercial and community space—and creating tens of thousands of jobs in the process.

For example, approximately \$180 million in new funding has been proposed (including \$41 million in FY15) to advance major infrastructure improvements and related work in Coney Island. Together with the \$140 million already budgeted to date, this \$180 million will provide for both brand new and upgraded storm and sanitary sewers and related investments to increase their capacity so that the ambitious mixed-use residential development enabled by the Coney Island Comprehensive Rezoning in 2009 can be realized—unlocking approximately 4,500 units of new affordable and mixed-income housing as well as much-needed neighborhood retail, services, and jobs.

In Staten Island, construction is underway in Stapleton on a mixed-use project many years in the making that in its initial phase will bring roughly 900 units of housing, 30,000 square feet of ground floor retail and 5 acres of new waterfront esplanade to the Stapleton community. Nearly \$100 million in new funding for infrastructure and open space has been proposed by the Mayor to lay a strong foundation to move forward with future phases of the project, which will become an important community anchor and a key part of the City's comprehensive strategy to further promote economic growth on the North Shore. The first phase alone is leveraging over \$150 million in private investment and is anticipated to create more than 1,100 construction jobs and 150 permanent jobs.

Finally, \$99 million in new funding has been allocated in the executive budget to enable the necessary infrastructure and open space work to support expansion of the Hunter's Point South project in Long Island City, Queens. The first phase of this project transformed a vacant industrial site into an entirely new neighborhood with permanently affordable mixed-income housing, a school, and an extraordinary waterfront park—for which NYCEDC's capital team managed the construction and is considered an example of worldwide best practices for resilient design and construction. Now with these additional funds, we can engage in preparations for the critical work to support hundreds of additional units of housing, community facilities, additional open space and more. We expect this

project to catalyze, overall, more than \$2 billion in private investment and create more than 4,600 jobs.

Conclusion

These are just a few of the hundreds of projects we're currently working on at NYCEDC. At any given time, we are incubating new companies, building new infrastructure for the Department of Environmental Protection, overseeing the development of Cornell Tech on Roosevelt Island and the New York Wheel on Staten Island, managing 60 million square feet of real estate, establishing a \$100 million venture capital fund for early stage biotechnology companies, developing commercial retail space and affordable housing, creating new programs for the development of Universal Pre-K space, or moving over 3,000 people per day on the East River Ferry. In each case—from Kingsbridge Armory in the Bronx to Seward Park in Manhattan, from the storefronts of Staten Island's North Shore to the air cargo facilities at JFK, our projects create jobs, train and employ New Yorkers, build institutions, transport cargo and people, enhance our environmental and economic resiliency, and make this city a better place to live, work, learn and play.

With the continued support of, and partnership with, the City Council through these projects and others, we will remain committed to our core goal of ensuring New York City remains a global center of commerce and culture while fighting economic inequality. Thank you, and I am now happy to answer any questions.

New York City Economic Development Corporation
New York City Council Oversight Hearing:
Fiscal Year 2015 Executive Budget Testimony
Kyle Kimball, President
May 21, 2014

Introduction

Good afternoon Chairpersons Ferreras, Garodnick, Cornegy, and members of the Committees on Finance, Economic Development and Small Business. I am Kyle Kimball, President of the New York City Economic Development Corporation, or NYCEDC, and I am pleased to testify before you today. Together with NYCEDC's Chief Operating Officer Zac Smith and other members of my staff, I will briefly discuss our operating and capital budgets, as well as a few of the principles that will guide NYCEDC's work over the coming months.

NYCEDC Background

NYCEDC is a not-for-profit that operates under two annually-renewed contracts with the City: a Master Contract and a Maritime Contract. Under the leadership of Deputy Mayor for Housing and Economic Development Alicia Glen, we are working hard to cultivate a strong and diverse economy with opportunity for all New Yorkers. To accomplish these goals, we have three primary functions. First, we manage a wide range of capital construction projects on behalf of the City, and are also responsible for managing some of the City's major assets—an approximately 60 million square-foot portfolio of about 150 properties ranging from food distribution centers to cruise terminals to commercial properties. Second, we execute real estate transactions on behalf of the City, helping to revitalize and establish vibrant neighborhoods by inducing projects that provide high-quality jobs affordable housing and community amenities. Third, we functionally serve as a think tank and foundation, making strategic programmatic investments to diversify and strengthen our economy.

NYCEDC Structure and Budget

NYCEDC is designed to be a self-sustaining entity. We receive no operating funds from the

City, deriving revenues primarily from property management, financing fees, and land sale proceeds. NYCEDC utilizes the revenue generated by our assets not only to make financial contributions to the City, but to make strategic investments, either as reinvestments into our own assets or to fund our broad spectrum of programs and services. The funds we receive from the City are strictly in the form of City capital, directly allocated for specific projects. We receive minimal tax levy from the City, none of which is for EDC's daily operations.

With respect to NYCEDC's financial contribution to the City, we make required annual contract payments and also include payments to eliminate the gap, or PEGs, that largely take the form of additional contributions to the general fund. In FY15, we expect our total payments to the City will be approximately \$88 million. From 2001 through 2015, it is expected that NYCEDC will have made payments to the City totaling approximately \$1.6 billion when land sale revenues are included.

So while our operations are self-sustaining as an organization and we serve as a revenue generator for the City, we depend on City capital to realize many projects, particularly those that have the capacity to have truly transformative outcomes.

Current Economic Conditions and Inequality

Since the recession in 2008/2009, NYC's economy has greatly outperformed the nation, as measured by jobs created. The flip side of that coin is that, while the number of jobs is up, many of these jobs are in lower-paying sectors, with little to no opportunity to ladder up—rather than higher-paying jobs that would allow more New Yorkers to enter and stay in the middle class. A growth of lower-wage jobs means the poverty rate has remained flat since 2000, but in absolute numbers, more New Yorkers are actually below the poverty line because of population increases. In fact, a recent study found that 46% of New Yorkers are at or near the poverty level, with an increase seen among households with two working adults. And the growth of low-paying jobs, combined with increasing pay at the very top, has significantly increased the gap between rich and poor in recent years.

This current path is simply unsustainable, and renders our economy less resilient, if and when there is another economic or exogenous shock to the system. So the pressing questions become: what tools do we have to combat economic inequality, and how can we best use them? And how can we meet the challenge of both transforming the economy AND making it resilient for generations?

Brooklyn Army Terminal

The Mayor has proposed funding for a number of key NYCEDC projects that we believe help meet this challenge. Just yesterday the Mayor visited the site of one of these projects, the Brooklyn Army Terminal, or BAT, where the administration has called for \$100 million to be invested in the development of 500,000 square feet in BAT's Building A from raw, unusable space to fully leasable space that can support dozens of industrial companies and create thousands of jobs. This is a significant step forward in the City's 30-year history of investing tens of millions of dollars in activating BAT, where more than 3 million square feet of leasable space is now 99% occupied by approximately 100 tenants employing more than 3,600 people. Tenant companies include firms performing textile, furniture, and small electronic and even chocolate manufacturing. . .we invite you to do quality control on that particular product yourselves.

The activation of this additional 500,000 square feet is estimated to create nearly 1,800 permanent jobs—including both quality jobs at tenant industrial companies as well as area jobs induced by the increased activity and foot traffic to the area, as well as approximately 600 construction jobs. This \$100 million in City capital funding will complement an additional \$15 million EDC is separately investing in the total renovation of the Administration Building, bringing its entire 50,000 square feet online and ready for occupancy in 2016, creating an additional 100 jobs.

Jobs in the industrial sector are widely acknowledged as good, well-paying jobs, offering skills acquisition through apprenticeships and training as well as opportunities for advancement. It is because of this that yesterday the Mayor chose to announce the City's 'Jobs for New Yorkers' Task Force at BAT, drawing attention to not just the thousands of good jobs already created there, but to

the facility's immense potential going forward. (And of course you all have an open invitation to visit BAT and see it for yourself.)

Workforce Development and Industrial Sector Support

But despite BAT's successes, there is still more to do. We will enter BAT's next phase of activation in conjunction with further efforts to connect this extraordinary site with the surrounding community, especially with respect to workforce development. As one of the leaders along with Commissioner Torres-Springer of the Jobs for New Yorkers Task Force, I will be working with my colleagues to take a comprehensive "blue-sky" look at how NYCEDC prepares New Yorkers for the jobs of today and tomorrow. We have existing workforce arrangements in place at BAT, but this is certainly an area where we could improve our efforts. Our goal is to ensure that when employment opportunities are available they can be filled by area residents who have the skills to perform them, and consequently benefit from stable, local, quality employment. Partnering with the local business community, we aim to create a real-time feedback loop so that our workforce development efforts are a reflection of the current and future demands for skills. We intend to connect as many local residents not only to new employment opportunities at BAT but also to other private industrial developments in Sunset Park, looking to other successful workforce development programs at industrial sites, such as the Brooklyn Navy Yard, to identify best practices in this area.

Further, this major investment in BAT connects to our ongoing work to support the industrial and manufacturing sectors. We are currently conducting a comprehensive study looking at ways we can support, retain and even grow these critical businesses – and the quality jobs they provide – throughout the entire city, and we look forward to sharing our findings with you later this summer.

Major Infrastructure Projects Funded in the Executive Budget

The Mayor has also proposed new funding in the executive budget to advance several major infrastructure projects across the city, with the express purpose of unlocking the potential for

transformative neighborhood creation or revitalization—including thousands of units of affordable mixed-income housing, commercial and community space—and creating tens of thousands of jobs in the process.

For example, approximately \$180 million in new funding has been proposed (including \$41 million in FY15) to advance major infrastructure improvements and related work in Coney Island. Together with the \$140 million already budgeted to date, this \$180 million will provide for both brand new and upgraded storm and sanitary sewers and related investments to increase their capacity so that the ambitious mixed-use residential development enabled by the Coney Island Comprehensive Rezoning in 2009 can be realized—unlocking approximately 4,500 units of new affordable and mixed-income housing as well as much-needed neighborhood retail, services, and jobs.

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These are just a few of the hundreds of projects we're currently working on at NYCEDC. At any given time, we are incubating new companies, building new infrastructure for the Department of Environmental Protection, overseeing the development of Cornell Tech on Roosevelt Island and the New York Wheel on Staten Island, managing 60 million square feet of real estate, establishing a \$100 million venture capital fund for early stage biotechnology companies, developing commercial retail space and affordable housing, creating new programs for the development of Universal Pre-K space, or moving over 3,000 people per day on the East River Ferry. In each case—from Kingsbridge Armory in the Bronx to Seward Park in Manhattan, from the storefronts of Staten Island's North Shore to the air cargo facilities at JFK, our projects create jobs, train and employ New Yorkers, build institutions, transport cargo and people, enhance our environmental and economic resiliency, and make this city a better place to live, work, learn and play.

With the continued support of, and partnership with, the City Council through these projects and others, we will remain committed to our core goal of ensuring New York City remains a global center of commerce and culture while fighting economic inequality. Thank you, and I am now happy to answer any questions.

**TESTIMONY BY
COMMISSIONER MARIA TORRES-SPRINGER
NEW YORK CITY
DEPARTMENT OF SMALL BUSINESS SERVICES
BEFORE
THE COMMITTEES ON ECONOMIC DEVELOPMENT
AND SMALL BUSINESS AND FINANCE
OF THE NEW YORK CITY COUNCIL
MAY 21, 2014**

Good afternoon Chairman Garodnick, Chairman Cornegy and Chairwoman Ferreras and members of the Economic Development, Small Business and Finance Committees. My name is Maria Torres-Springer and I am the Commissioner of the New York City Department of Small Business Services. I am joined today by First Deputy Commissioner Euan Robertson and Deputy Commissioner Andrew Schwartz.

This afternoon, I will cover how SBS serves businesses, jobseekers, and neighborhoods, and update you on our ongoing response to Hurricane Sandy. I will also outline the changes to our agency's budget and the programs we have launched since the Preliminary Budget hearing.

Agency Overview

SBS is an agency of approximately 270 employees with an overall budget of approximately \$119.4 million. As I described during the Preliminary Budget hearing, we have three main functions – providing assistance to businesses, with an emphasis on Minority and Women-Owned businesses, providing assistance to job-seekers and supporting commercial districts – and I will outline programmatic and budget changes for each.

Providing assistance to businesses

1. First, the **Business Development Division** provides direct assistance to businesses to help them form, operate and grow. SBS has developed a network of NYC Business Solutions Centers, with 4 outside Manhattan, where businesses can take advantage of nine key services: financial assistance; 25 free business courses; employee training and recruitment; government navigation; access to incentives; selling to government; certification of local, minority, and women-owned businesses; and connections to a network of pro-bono lawyers.

Just last week, we announced an Immigrant Business Initiative in partnership with Citi Community Development. We recognize the value of New York City's immigrant-owned businesses to our diversity and our economy, and while many of the needs of these entrepreneurs are similar to the needs of any business, we also recognize that they face unique challenges. Building on SBS' current business classes and resource offerings available in other languages, we will work directly with community-based organizations across the City to identify the specific needs and challenges of immigrant-owned businesses so that SBS, in collaboration with the Department of Consumer Affairs and the Mayor's Office of Immigrant Affairs, can deliver the assistance that they need.

We are also continuing to work closely with the Department of Consumer Affairs in their outreach and education efforts regarding the paid sick leave legislation. We distributed one-pagers and FAQ sheets at our 15 NYC Business Solutions Centers, trained more than 30 SBS and NYC Business Solutions staff to deliver information on the law, distributed information to more than 150 community-based organizations, featured information on the SBS and Division websites and social media, and attended town hall meetings throughout the City hosted by City Council members, New York State Senators and Assembly Members.

At the Preliminary Budget Hearing, we discussed the City's commitment to industrial and manufacturing policy. By providing \$578,000 for industrial business zones, the Mayor demonstrated this administration's commitment to protecting and expanding jobs and economic opportunity. We look forward to working with the City Council and our other partners to continue to grow the critical manufacturing sector.

2. The second programmatic division that serves businesses is the **Division of Business Acceleration**. This team's primary goal is to make the process of starting and operating a business less confusing and more efficient by providing services to help navigate City government and streamline the regulatory process.

More simply put – this division focuses on cutting red tape.

Our team provides client management services that allow business owners a single point of contact when dealing with the City. They help businesses understand government requirements to open, resolve challenges experienced by existing businesses and coordinate services on behalf of the Department of Buildings (DOB), the Fire Department (FDNY), the Department of Health and Mental Hygiene (DOHMH), and the Department of Environmental Protection (DEP). Through the efforts of this team, SBS has served over 9,345 unique businesses and reduced the time it takes to open a business by 35%.

We are working closely with the Department of Health and Mental Hygiene to coordinate their regulatory process with DBA and making sure that we are providing restaurants with the most current information. The administration is continuing to relieve the burden of fines on small businesses by reducing the goal of revenue-building through fining from DOHMH and DCA.

The Division also has an Emergency Response Unit to help businesses affected by disasters that in 2013, assisted nearly 700 businesses. They had a significant presence helping businesses impacted by the East Harlem explosion and the recent fire in Jackson Heights, Queens.

We are working feverishly to address the borough bias Mayor de Blasio discussed in his campaign. We know immigrant businesses and businesses outside Manhattan get hit with more fines and violations. We are dedicated to reaching and helping these businesses. We have met and hosted events with local organizations, Restaurant and Bodega Associations, City agencies, City Council members, Assembly Members and State Senators. We are actively working with the Department of Consumer Affairs and other regulatory agencies to streamline the inspection process and rework a confusing and sometimes contradictory regulatory process.

3. The last programmatic division specifically focused on supporting businesses is the **Division of Economic and Financial Opportunity**. Their mission is to make it easier for small businesses to compete for government contracts with an emphasis on historically underserved groups.

In 2013, the Division began the implementation of Local Law 1, which strengthens the City's previous Minority and Women-owned Business Enterprise (M/WBE) program. Local Law 1 eliminates the \$1 million cap on contracts, strengthens certification standards, improves the Online Directory of Certified Firms, and establishes a detailed accountability system for agencies. The Division also provides Selling to Government workshops, courses and one-on-one assistance to help small businesses navigate the City, State and Federal procurement systems. The Executive budget allocated \$1.063 million for the next four years to continue administering the *Compete to Win* M/WBE capacity-building initiative. We are dedicated to advancing the goals of the administration and working to reflect the city's diversity in City contracts.

Outlined in our Local Law 1 compliance report to the City Council submitted in April, the total number of certified firms has reached 3,670. In the first two quarters of this fiscal year, mayoral agencies awarded \$22.3 million in prime contracts to certified M/WBEs, or 24% of the value of contracts covered by the Local Law 1 goals program. The Executive budget allocated an additional \$395,000 this year and \$480,000 for the next three years for three staff positions in order to continue the implementation of Local Law 1. These three staff will assist with certification approval, agency site-visits, and technology management.

As articulated in the "Housing New York: Five Borough, Ten Year Plan" and the "One City, Rebuilding Together" Hurricane Sandy report, we are encouraging local hiring and M/WBE construction firm participation in affordable housing construction and in the recovery efforts from Hurricane Sandy.

Our business engagement and service team is strong and I am confident they will continue to help start, operate and grow businesses in all five boroughs.

Serving Job-Seekers

4. The second core function of SBS is to support job-seekers through our **Workforce Development Division**. This Division trains job-seekers, connects job-seekers to job opportunities, and offers businesses cost-saving recruitment services.

This Division manages approximately a \$60 million budget, 75% of which is funded by the Workforce Investment Act, or WIA. Like other sources that rely on federal funding, WIA has seen a decrease of close to \$20 million since 2004.

This Division operates 17 Workforce1 Career Centers throughout the five boroughs. Of the 17 centers, there are five Hub Centers, eight affiliate sites located in public libraries and two sector centers, specifically focused on careers in healthcare, transportation and manufacturing. We are at the end of three years of funding for our eight affiliate sites, and are exploring their role within the citywide workforce development strategy moving forward.

Highlighted in Mayor de Blasio's speech on Tuesday, we are launching the Jobs for New Yorkers Task Force, with leading figures from business, education, non-profit, labor, and community development that will coordinate workforce training and

development policy across the City. One of the initiatives that the Task Force will develop is the TechTalent Pipeline, a workforce intermediary that will combine city, state, federal, and private funding to reach to recruit and train low-income New Yorkers, design new curricula to meet employer needs, and engage employers in building the talent pipeline. We have secured funding from J.P. Morgan Chase and commitments from New York Community Trust and NYC Workforce Funders. This initiative will help advance the goals of this administration in becoming the most technology-friendly and innovation-driven city.

One of the programs that the TechTalent Pipeline will help coordinate is the NYC Web Development Fellowship. This five-month training program offers web development training for people with little to no coding experience. You may have also seen the NYC Craft Entrepreneurship Program for low-income under-employed adults with craft skills to train them with the skills to create an online store. We offer this program in all five boroughs, and will soon offer it in three additional languages. We also currently have the Brooklyn Tech Triangle program for City Tech students to gain experience through internships in technology and manufacturing in Downtown Brooklyn.

Providing veterans with workforce support is also a key focus of this division. With the support of the Robin Hood Foundation, SBS launched the Workforce1 Veterans Employment Initiative in 2012. We have put 10 Veteran Specialists in our Workforce1 Centers, assuring that any veteran that walks into a center gets priority treatment. Since the program's inception we have served nearly 6,000 veterans and helped connect 1,300 to jobs. PriceWaterhouseCoopers was selected to conduct the Veteran Procurement study. The study will size the market of veteran-owned businesses and their ability to compete for City contracts. The study is underway and we are on target to deliver recommendations by the end of the year.

Serving Commercial Districts

5. SBS' third core function is to support commercial districts throughout the City. We are excited to welcome Blaise Backer as Deputy Commissioner of our Neighborhood Development Division that works with community-based development organizations – like BIDs, Local Development Corporations, and Merchant Associations – to create conditions for businesses and neighborhoods to grow and thrive.

Today, there are 69 Business Improvement Districts, or BIDs, throughout New York City, with 45 BIDs outside of Manhattan. The Neighborhood Development Division administers and provides oversight of the BID program, and helps guide property owners, businesses, public officials and local stakeholders through the BID formation process. BIDs invest more than \$112 million in supplemental maintenance, improvements, and promotion of their respective districts to make them better places to live, work, and visit.

On Monday, the Mayor authorized three amendments to BID district plans for the Alliance for Downtown New York, Church Avenue BID, and the Kings Highway BID. In early Fall, we are looking forward to the launch of a BID on the West Shore of Staten Island and the expansion of the Fordham Road BID in the Bronx.

The Executive budget allotted \$145,000 for two additional positions in the Neighborhood Development Division – one that will be a BID program support, and the other for continuing organizational capacity-building services.

NDD also manages Avenue NYC, a competitive grant program that funds local economic development organizations to carry out commercial revitalization projects. It is funded by federal Community Development Block Grants targeting investments in low-and-moderate income neighborhoods. The Division is currently managing nearly \$1.4 million in Avenue NYC contracts in 46 neighborhoods across 39 organizations. We are sending out the award announcements for FY2015 Avenue NYC organizations shortly. Additionally, NDD continues to provide dedicated technical and capacity building assistance and other critical resources to community organizations through our Retail Recruitment, Neighborhood Leadership, Website Redevelopment, and Citywide Storefront Improvement programs.

Helping Hurricane Sandy-Impacted Businesses

We spoke with you recently about the Hurricane Sandy Business Loan and Grant Program and I want to affirm SBS' commitment to helping businesses affected by Hurricane Sandy get back on their feet. Since the storm hit, we've distributed through both public and private funding, \$23.4 million in direct loan and grant assistance as part of SBS' Hurricane Sandy relief programs, with more than \$2.8 million in tax exemptions through the New York City Industrial Development Agency. To date, our programs have awarded nearly 1,400 loans and grants to small businesses impacted by Sandy.

Days after Sandy hit, SBS launched the \$20 million NYC Emergency Loan and Matching Grant Program and a \$5 million small business grant program funded by city and private dollars. The programs offered \$25,000 low-interest loans with \$10,000 matching grants, and up to \$5,000 grants to damaged businesses.

In May of 2013, the City announced the federal Community Development Block Grant loan program for businesses that still had unmet need. SBS worked with our agency partners at EDC and OMB to develop the application, policies and procedures to ensure compliance with HUD regulations, and hired and trained a staff specifically dedicated to assisting applicants.

We continue to provide technical assistance to businesses applying for the \$150,000 low-interest loans and up to \$60,000 in matching grants from the federal CDBG funds. To date, 154 applications have been submitted to the lender. Fourteen businesses have been approved for loans and grants under the program, totaling more than \$3.1 million. Of these, eight businesses have received funding totaling \$2.48 million in assistance

I am committed to redoubling our efforts to streamline the Hurricane Sandy Business Loan and Grant program process and get more businesses through the pipeline. This involves the following steps:

- Working closely with OMB, HUD and other government partners to address systemic issues that need to be fixed, specifically through a few programmatic changes including:
 - raising the maximum cap amount for loans and grants;
 - de-coupling the loan from the grant element which would allow us to award grants more quickly;
 - and revisiting the eligibility requirements mandated by HUD to increase the number of eligible businesses.
- Cutting down the compliance review process so that businesses can get the support that they need more quickly.
- Improving the capacity of our account managers who directly assist businesses with Hurricane Sandy Business Loan and Grant program applications. One solution we intend to implement is working with Community Development Finance Institutions (CDFIs) to provide businesses with technical assistance. We will also be adding additional staff where needed.
- And last, we plan to continue improving outreach to increase businesses' awareness about this program.

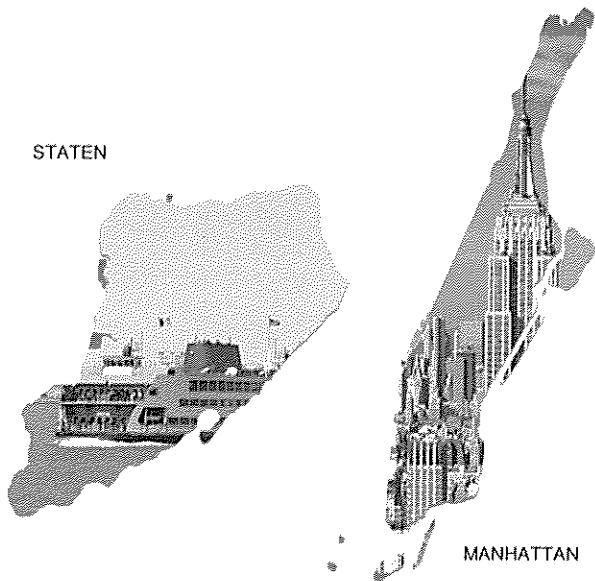
I will do everything I can to continue improving the rate of awards through this program so that businesses can get the help that they need and welcome any feedback you might have to ensure we are making businesses aware of this program in the most effective way.

Conclusion

At the NYC Department of Small Business Services, we are committed to fulfilling Mayor de Blasio's vision for a progressive, diverse and economically thriving New York City. Together, with the support of the City Council, we will continue to work to strengthen our neighborhoods, grow the economy, and improve the lives of hardworking New Yorkers.

I would like to thank you for your attention and your dedication to continuing to improve the small business climate in New York City.

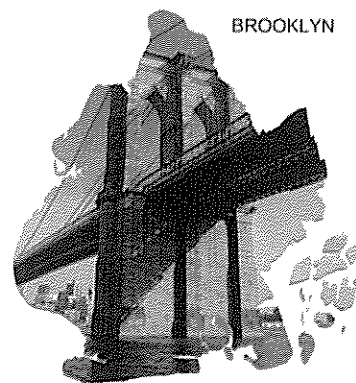
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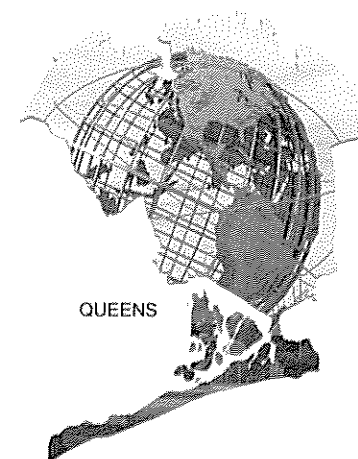
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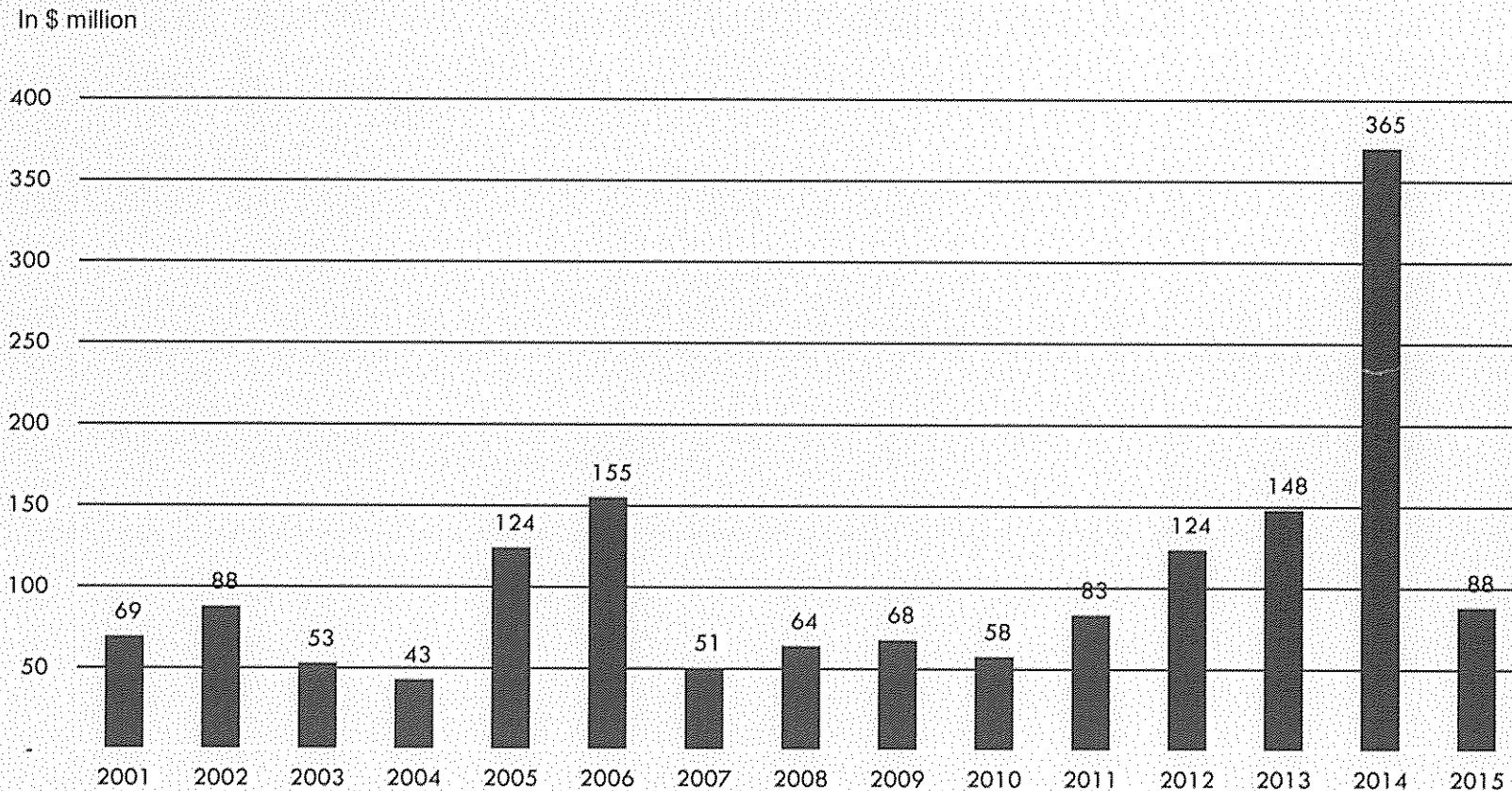


QUEENS

NYCEDC Executive Budget Hearing

May 21, 2014

NYCEDC Generates Direct Revenues to the City



NYCEDC will have contributed \$1.58 B to the City from FY01 to FY15

Brooklyn Army Terminal



Brooklyn Army Terminal



Brooklyn Army Terminal



Brooklyn Army Terminal



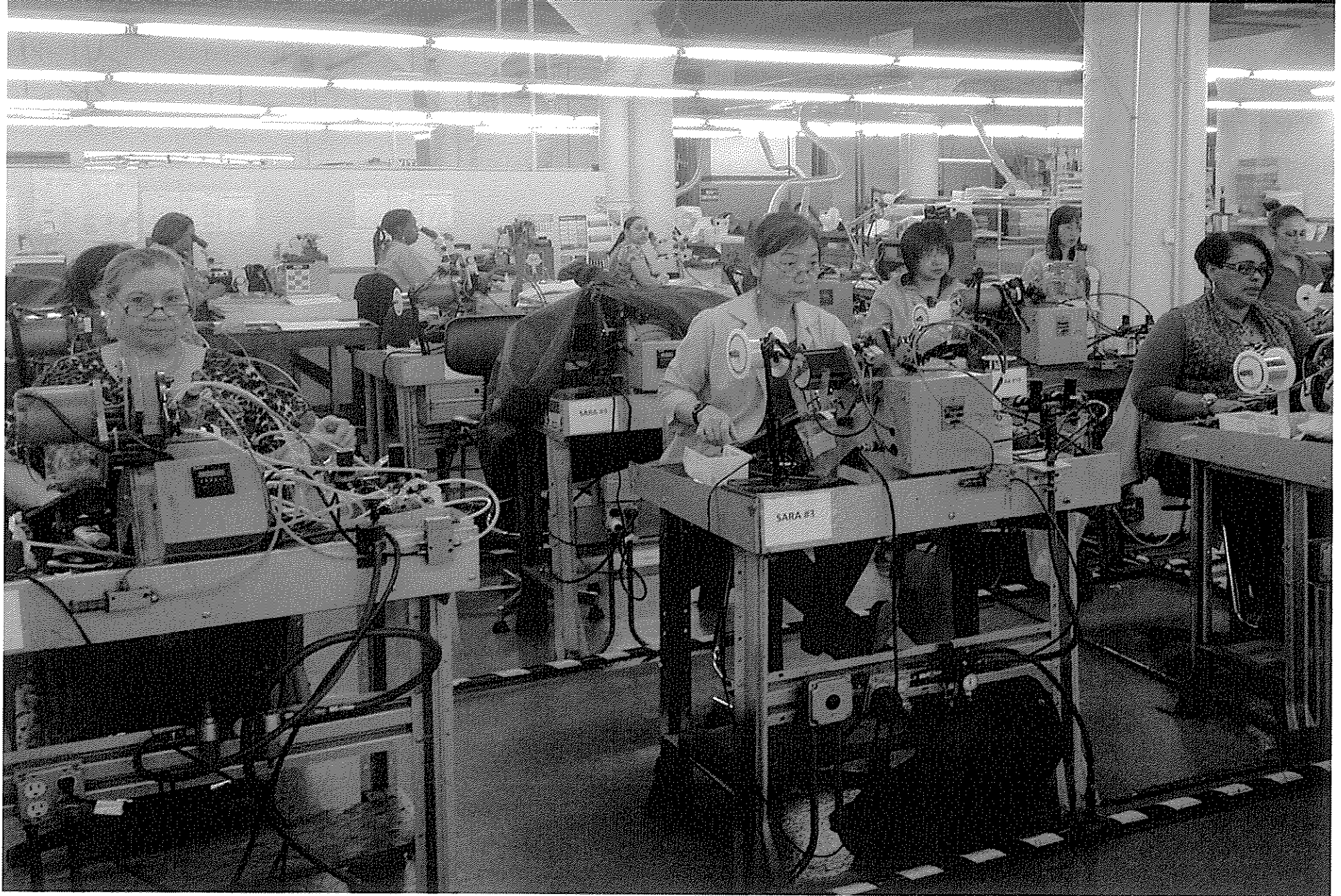
Brooklyn Army Terminal



Brooklyn Army Terminal



Brooklyn Army Terminal



Coney Island West



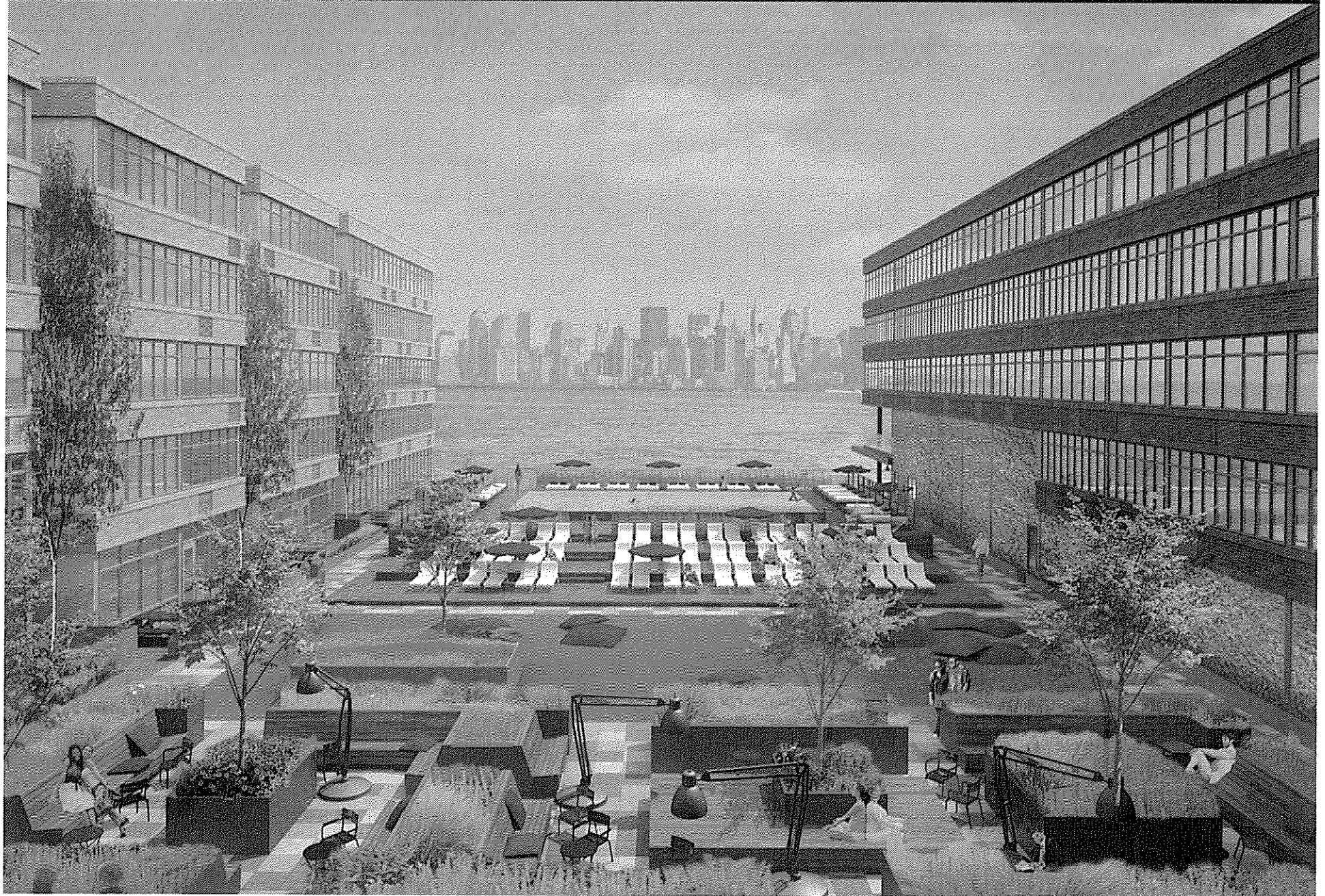
Coney Island West



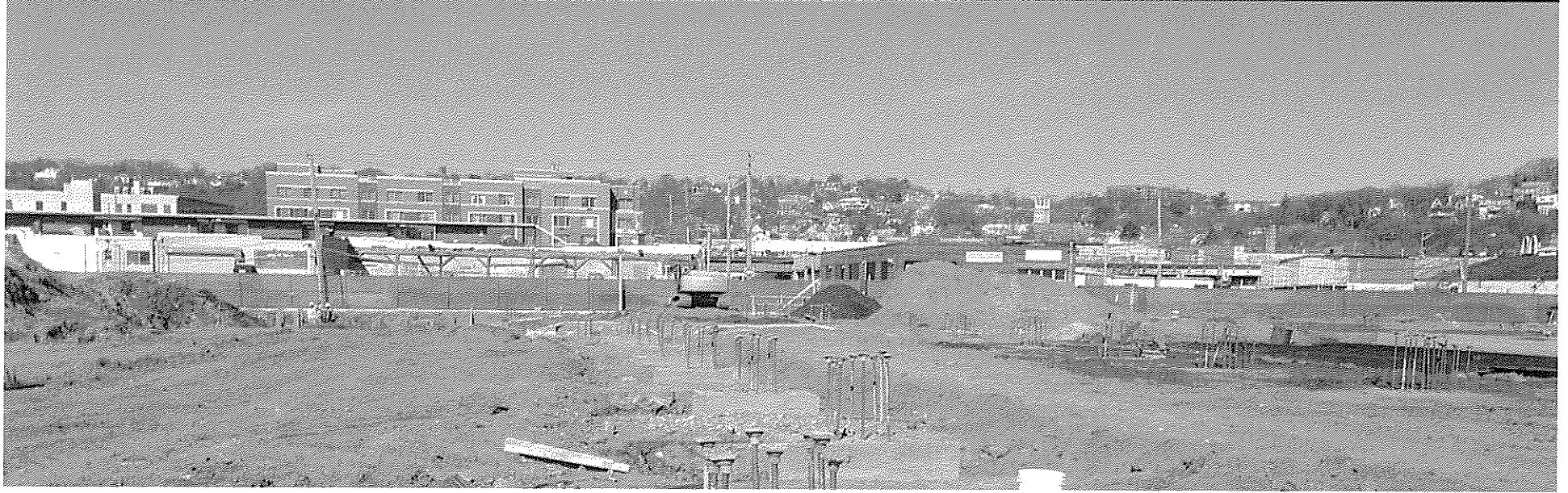
Stapleton Waterfront



Stapleton Waterfront



Stapleton Waterfront



Hunter's Point South



Hunter's Point South



Hunter's Point South



Hunter's Point South



**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 5-21-14

(PLEASE PRINT)

Name: Maria Torres-Springer

Address: _____

I represent: Commissioner, Small Business Services

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 5/21/14

(PLEASE PRINT)

Name: Mr. Gregory Bishop, Andrew Schwartz

Address: _____

I represent: Deputy Commissioner, SBS

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 5/21/14

(PLEASE PRINT)

Name: Kyle Kimball, President

Address: _____

I represent: EDC

Address: 110 William St

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 5/21/14

(PLEASE PRINT)
Name: Ed Smith, Chief Operating Officer

Address: _____

I represent: EDC

Address: 110 William St.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)
Name: Thong Fariello

Address: Acting Commissioner

I represent: Dept of Buildings

Address: 280 Broadway

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)
Name: Edwin Pemberton

Address: Director Fiscal

I represent: Dept of Buildings

Address: 280 Broadway

Please complete this card and return to the Sergeant-at-Arms

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THE CITY OF NEW YORK**

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I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Vik Mustacinski

Address: 100 Gold

I represent: HPD

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Eeki Thimble

Address: 100 Gold

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Vicki Been

Address: 100 Gold

I represent: HPD

Address: _____

Please complete this card and return to the Sergeant-at-Arms