

**Testimony of the New York City Economic Development Corporation
New York City Council Committee on Economic Development
June 13, 2024**

Good afternoon, Chair Farías and members of the Economic Development Committee. My name is Shehila Stephens, and I serve as the Director of Equity & Community Impact for the New York City Economic Development Corporation. I am joined by my colleagues PJ Berg, Executive Vice President of our Real Estate Transaction Services department, and Mikelle Adgate, Senior Vice President of our Government and Community Relations department.

The New York City Economic Development Corporation (EDC) is charged with creating a vibrant, inclusive, and globally competitive economy for all New Yorkers. Our work is guided by four strategic priorities: strengthening business confidence, growing innovation industries with a focus on equity, building neighborhoods as places to live, learn, work and play, and delivering sustainable infrastructure. I want to thank the Council and this committee for your continued partnership in supporting economic development projects and programs to benefit local communities, residents and businesses across all five boroughs.

Introductions 860 and 861

To support and advance equitable economic development, in 2022, EDC created the Equity and Community Impact Division to both strengthen and better quantify EDC’s impact across communities. I am privileged to serve as the first Director of this pillar, which is designed to mobilize EDC’s equitable economic development strategy focused specifically on Economic Mobility, MWBE, Workforce Development and Diverse Entrepreneurship. My group’s initiatives are designed to deliver direct positive impact for all New Yorkers, focusing on enhancing quality of life and promoting equity across the City.

At EDC, we take our mission of creating an inclusive economy for all New Yorkers seriously and we are proud of our transparency and the work that we do to ensure that our projects benefit local neighborhoods. To that end, we look forward to working with Council on Introductions 860 and 861 and working together to provide additional reporting on community benefit commitments, job training and employment associated with EDC projects.

Introduction 164

Assessing and ensuring positive community impact of our projects is an essential part of EDC's work. To that end, in January 2024, EDC launched its first Measurement and Evaluation strategy focused on deepening our understanding of EDC's community impact. EDC is currently developing robust mechanisms to ensure positive impact occurs, such as developing metrics that allow us to annually measure our agency-wide equitable dollar investment in opportunities that result in increased jobs, diverse entrepreneurship access, innovative industry expansion, and stronger, more sustainable communities across New York City. Our data collection efforts will provide a baseline of our current city-wide community impacts, while providing evidence for how EDC can cultivate additional investment opportunities, particularly within the City's disadvantaged communities. Additionally, EDC's in-house research team conducts a variety of impact-related analysis with an aim toward ensuring positive fiscal impact for all of our projects.

With respect to reporting, EDC is committed to transparency and, to that end, we already track and produce a vast amount of data regarding a wide range of community impacts. Today we will highlight three of those efforts 1) Our Annual Investment Projects Report 2) The NYCEDC Impact Report and 3) The Mayor's Management Reporting.

The Annual Investment Projects Report is submitted to the New York City Council and posted on the EDC website by January 31st of each year. Last year, this comprehensive, three-volume report totaled over 900 pages and covered 449 projects. It provides robust information on projects that receive financial assistance in excess of \$150,000, including, among others:

- Project name, location, land and square footage
- Type, duration, and estimated total amount of City assistance received
- Employee information including, where applicable, information regarding NYC residency, health benefits, the number and percentage of employees earning less than a living wage, and, for projects with 250 or more employees, compensation data within 3 wage bands.

We are proud of this transparency, and we believe this report gives the Council and public extensive insight into EDC's projects and initiatives. The EDC website also includes a link for public comments and questions.

EDC also publishes an annual Impact Report which provides a user-friendly review of EDC's work over the year, providing highlights on project progress, as well as qualitative and quantitative insights about programs and initiatives. This document is available in print and online to the public and provides a synthesized view of our work, including many of the areas of interest in Introduction 164.

EDC also reports to the public and the City Council twice yearly as part of the Preliminary Mayor's Management Report (PMMR) which covers performance for the first four months of the fiscal year, from July through October, and the annual Mayor's Management Report (MMR) which covers the 12-month fiscal year period, from July through June. These reports include information on our operations as well as key performance metrics.

While EDC supports the spirit of Introduction 164, we believe that the preparation of these reports would be extremely costly, and the information reported would be redundant to information EDC already reports. In addition, EDC projects often go through extensive public review processes such as environmental review, Uniform Land Use Review Procedure (ULURP) or similar public review processes, many of which already contain detailed disclosure requirements that overlap with the requirements considered by this bill, such as requirements for reporting of information concerning residential and business displacement.

This bill would require significant additional analysis and will delay projects, necessitate the hiring of more consultants, and ultimately, increase project costs – all things that we believe are not in the interest of New Yorkers who want government to move faster and spend more wisely.

For all of these reasons, we are opposed to Introduction 164.

Introduction 165

Turning to Introduction 165 which seeks to require a study on the feasibility of establishing a commercial and residential linkage fee, the Administration is opposed to a linkage fee feasibility study. The Administration believes that linkage fees are not the best vehicle to support New York City communities.

Specifically, the City is confident that linkage fees, which operate as a tax on development, would discourage the very housing production that the City desperately needs to solve its housing crisis. It also broadly believes that such fees would act as a barrier to new development that would help to expand the City's tax base and allow Council and the Administration more funding to carry out key initiatives. We support the City's existing approach to funding workforce development programming. For all the reasons I have outlined, the Administration cannot support the proposed linkage fee study. In the current environment and given our substantial concerns about linkage fees, undertaking a study at this time would needlessly divert resources and staff time.

Introductions 810 and 844

With respect to Introductions 810 and 844 which address public housing entrepreneurship, a commercial pop-up program and microgrants, the New York City Housing Authority (NYCHA), not EDC, is the appropriate entity for these efforts. NYCHA already has established entrepreneurship programming facilitated by the Office of Resident Economic Empowerment & Sustainability or REES program. REES and its partners throughout the city, already work to help NYCHA residents launch or grow a business through business education, access to financing, affordable space, and other key assistance. Strategic expansion and increased funding of these initiatives under REES accomplishes the goals of the legislation without creating redundancy. EDC remains happy to collaborate with NYCHA and REES, as appropriate, to support and grow their existing programs.

Thank you for the opportunity to speak with you today, and we are happy to answer any questions you may have.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

**STATEMENT OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS
TO THE NEW YORK CITY COUNCIL COMMITTEE ON ECONOMIC
DEVELOPMENT
JUNE 13, 2024**

Good afternoon,

My name is Jumaane D. Williams and I am the Public Advocate for the City of New York. I would like to thank Chair Fariás and the members of the Committee on Economic Development for holding this hearing and allowing me the opportunity to provide a statement.

New York City is composed not just of its many businesses and buildings, but also of its diverse cultures and neighborhood communities. Economic development in this city, especially when carried out by public benefit corporations like the Economic Development Corporation, must have equitable outcomes and be beneficial to all people. Too many development projects seek the input of the community as an afterthought, if at all. The EDC is funded by New Yorkers, and New Yorkers have the right to know what effects projects by the EDC will have on their community.

Community Benefits Agreements are a way for community members to make their voices heard and defend their neighborhoods against the interests of developers. That being said, CBAs are too often co-opted by the developers themselves. The first CBA in the city, for the Pacific Park development in Brooklyn, was drafted by Forest City Ratner, the project developer. Then, the developer found community groups that were willing to play ball and stonewalled any critical organizations. Thus, the developer was able to enjoy the good publicity of a CBA without legitimately engaging with concerned community members.¹ As of 2022, much of the affordable housing promised has not yet been built, and as units do come to the market, skyrocketing Area Median Income means that a unit designated as affordable can run over \$3,000 a month. Now, the CBA is impossible to legally enforce, because the only litigant who has the right to sue Forest City Ratner was an independent compliance officer that the developer never hired in the first place.²

This story represents the worst-case scenario of a CBA – one that happens all too often. [Int 0861-2024](#) would require the EDC to report on the details of its CBAs in the EDC Annual Report, allowing communities to be informed about the CBA itself, and how the EDC is ensuring that

¹ <https://citylimits.org/2022/01/18/the-rise-and-fall-of-community-benefits-agreements-in-nyc/>

² <https://citylimits.org/2022/06/17/when-developers-promise-community-benefits-who-holds-them-accountable/>

developers are holding up their end of the bargain. [Int 0164-2024](#) would allow the City Council and community organizations to evaluate the true impact of a proposed development before the development takes place, giving community members the information they need to make an informed decision about their own neighborhoods. These tools would help close the gap between communities and the well-funded developers who are seeking profit first.

The EDC's stated mission is to "create a vibrant, inclusive, and globally competitive economy for all New Yorkers."³ To this end, the EDC created over 6,000 construction jobs in 2023, and attracted \$900 million in private investment to their projects. The EDC, in their 2023 Annual Report, also boasted all-time highs in labor-force participation and number of jobs in NYC.⁴ These achievements are commendable. At the same time, New Yorkers know that not all jobs are created equal. Between May of 2019 and May of 2023, prices in the New York Metro area increased by 15.1%.⁵ Over that same period, median wages for registered nurses, construction workers, substance abuse and mental health counselors, office workers, and many other occupations failed to outpace inflation.⁶

Historically underserved communities in our city are often promised economic revitalization, as well as workforce development and high-quality jobs for locals. In 2016, the de Blasio administration announced a sweeping rezoning and economic development initiative to stimulate East New York and provide 3,900 new jobs. Five years later, there was no one keeping track of any economic impact, including local employment and community members believed the project was just one more example of underdevelopment by the city.⁷ A comparison between current and past business directories of the East Brooklyn Business Improvement District shows fewer businesses today than six years ago.⁸ In this case, we must use BID directories as a proxy for jobs numbers, because no one is even keeping track of the long term impacts of community investment. This is not acceptable, and we must take seriously the responsibility the city has to be accountable to the people.

Developers on EDC projects use promises of well-paying, long-lasting jobs to entice communities. Folks deserve to know if those promises are empty, or if developers have truly made a lasting impact in their neighborhood. [Int 0860-2024](#) gives communities the information necessary to judge whether their neighborhood has truly benefited from a development project, or if they have been taken advantage of for little local gain. It also requires that the EDC

³ <https://edc.nyc/meet-nycedc>

⁴ https://issuu.com/nycedcmis/docs/2023_nycedc_annual_report-digital?fr=sOTQ2ODcxNTU3NTU, pp. 4-5, 8.

⁵ <https://www.bls.gov/regions/northeast/data/xg-tables/ro2xgcpiny.htm>

⁶ https://www.bls.gov/oes/2019/may/oes_35620.htm, https://www.bls.gov/oes/current/oes_35620.htm

⁷ <https://citylimits.org/2021/11/15/de-blasio-said-east-new-yorks-rezoning-would-spur-industrial-jobs-boom-that-hasnt-happened/>

⁸ https://www.eastbrooklynbid.com/uploads/6/4/5/8/6458522/ebbid_mfr_report_fin_2.pdf, <https://web.archive.org/web/20180413020729/http://www.eastbrooklynbid.org/directory.html>

provides information on hiring sources, retention, and level of workforce training, so that communities can be sure the jobs that are brought are valuable and uplifting.

We have to make sure that the EDC is a boon, and not a burden, to the neighborhoods affected by its projects. Economic development is an issue that concerns all New Yorkers, and projects supported by the EDC should reflect that. If a neighborhood is dissatisfied with the results of a project, or does not receive the benefits it was promised, that is a failure by the EDC and the City of New York. I look forward to working with the Committee on Economic Development and the EDC to make sure New York City's development is valuable to all New Yorkers.

Thank you.

The Real Estate Board of New York to The Committee on Housing and Buildings of the New York City Council Regarding Intro. No. 165

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY thanks the committee for the opportunity to provide testimony on Intro 165, which seeks to conduct a feasibility study on the creation of a linkage fee.

Intro 165 would mandate the Mayor to appoint an office or agency to perform a feasibility study on implementing a linkage fee in New York City. The linkage fee would be imposed on developers for residential or commercial construction projects exceeding 100,000 square feet. The funds generated from this fee would be allocated towards job training for workers on the project site and contributions to a community trust benefiting the area within a 2-mile radius of the site.

REBNY shares the City Council's commitment to expanding opportunities for workforce development and employment training. Our experience in this space with [Building Skills NY](#) has taught us that these types of programs are most effective when they are implemented in close coordination with employers so that program participants are ensured a job upon completion of their training. Further, providers need to be transparent about the populations they serve and the outcomes of their programs to assess whether program objectives are successfully being met. We look forward to working with the Council should any program be established to ensure that funds generated from a linkage fee are used with these principles in mind.

While it is always appropriate to fully study a new policy or program before it is implemented, it is important to be mindful that New York City construction and development has some of the highest costs in the country. According to the most recent New York Building Congress [Construction Outlook report](#), the average cost of construction in New York City was approximately \$362 per square foot in 2020, compared to the national average of \$237 per square foot. According to the [Citizens Budget Commission](#), high rise development can average over \$700 a square foot and construction costs in New York City increase faster than the rate of inflation.

New York City is also an extremely complex environment for construction. This includes extensive land permitting processes that, according to the Adams Administration's [Get Stuff Built](#) report, combine to increase monthly rents by \$430 in new residential buildings.

Linkage fees would only add to these costs. Linkage fees enacted in other jurisdictions can be significant. For instance, a [recent report](#) by the City of Oakland notes that a typical fee for large apartment projects is \$39,264 per unit. In San Francisco, this fee can amount to upwards of \$74,597 per unit. Because of these costs, a [study by the Lincoln Institute of Land Policy](#) found that certain types of linkage fees reduce the prevalence of multi-family housing developments. This concern is particularly significant for New York City, which is already facing a housing crisis driven by a lack of supply.

Therefore, any study of a linkage fee program requires caution and a clear understanding of the potential unforeseen consequences of imposing higher costs on developers. Additionally, funds must be spent on programs that are open, transparent, and data driven and generate concrete job opportunities.

Thank you for your consideration of these points.

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**Powering a
more equitable
New York**

Testimony to the New York City Council Committee on Economic Development

June 13, 2024

Iziah Thompson and Emerita Torres

Good morning, Chair Farias and members of the Committee on Economic Development. Thank you for this opportunity to share our insights on unemployment and workforce development in NYC public housing. For decades, CSS has been working directly with NYCHA tenants to improve conditions, promote economic opportunities and bolster resident democracy.

Overview

Last fall, the Community Service Society and Red Hook Initiative organized a panel and workshop involving public housing residents, elected officials, and advocates. In our discussions, we explored the ways that unemployment, workforce development, and criminal justice policies and programs are impacting residents of public housing in Red Hook and across the city.

The event grew from data revealed by our annual survey of low-income New Yorkers, the Unheard Third Survey. Every year we hire surveyors to ask a randomized sample of New Yorkers about how they are fairing in the city economically, across social factors like housing and health, about what sort of policies they feel would better their lives, and other similar questions. We found that 1 in 5 NYCHA residents were unemployed, compared to a quarter of low-income individuals in other market rate and subsidized households. While we found that as a group, Latina/x/o respondents in NYCHA had the highest rate of unemployment at almost 18%— the unemployment rate was being driven by men. Unemployment is endemic amongst the (mostly young) men in and around our NYCHA communities.

During our event, we heard from the people behind these numbers. Some of the key takeaways included:

1. Making the Summer Youth Employment Program (SYEP) year-round and universal is widely supported, with 71% of participants supporting this idea. They also pointed out a real need to fix this program, as many experienced the reality that all SYEP placements are not treated equal. One young lady told us that despite a real want to get a head start on her career, she was not accepted into SYEP and otherwise as she put it “couldn’t find work because I was young with no experience” and ended up leaving the state during the summer to find an opportunity.
2. Residents were mostly suspicious of more studies, especially those performed by the same crop of top-down corporate approaches of the past. They were much keener on participatory research that compensated and trained youth and those in the community who would also have an easier

time reaching and communicating with those mostly out-of-school out-of-work youth that are driving the current joblessness crisis.

3. Half of participants did not think funding new programs or just employment support would solve the problem. Three main issues stood out:
 - a. Residents alluded to a mismatch between job markets and what's available in many existing workforce programs. One resident said that "investment needs to be in areas of interest." Another resident questioned why it seemed like the only opportunities were for "service industries or hard labor" especially in a city with so many burgeoning sectors all around us.
 - b. Duplication of services and confusion regarding the ones that exist was a large concern. They mentioned Jobs-Corps, Jobs-Plus, WF1, Career Pathway, and CBOs with their own specific programs. Residents expressed a need for a more centralized strategy around workforce development, not a spattering of different, confusing programs.
 - c. And crucially, residents stressed that jobs mean nothing if residents mental and physical health were not centered. One participant told us, "...employment is not the panacea for everything[.] Without support across all of the social determinants you're on a hamster wheel."

Nothing was more clear to us than the fact that services are being deployed to prepare someone's resume, wardrobe, and professional skills, yet nothing is there to repair their minds. The word said time and again during the event was "Trauma". How can we ask people to step onto a new path if the one behind them is riddled with horrors dragging them back. Our public housing communities are push those afflicted with poverty into a vow of secrecy regarding substance abuse with the threat of eviction. Many talented young people are geographically and socially separated from opportunity and caged by the threat of violence from law enforcement and those law enforcement are at war with. There is no employment support without concurrent trauma care.

Resident Informed Platform

The point of this event was not just to have another panel or listening session. Instead, we aimed to turn the wisdom and expertise of the people who are directly involved and impacted into an actionable policy agenda. The resulting platform is as follows:

1. **Reform and expand SYEP:** The Summer Youth Employment Program is currently reaching only a portion of those that need it, and people that have worked in the program consistently say that access to the beginnings of a career path—not just jobs—are rare. SYEP must be expanded to become a year-round program and require that all positions include a mentorship component.
2. **Create an actual Workforce System:** Having so many different programs with different processes and eligibility was the most consistent issue facing those looking for work. Residents, employers, and service providers are forced to navigate an extensive network. A cursory look at the government's offerings include:
 - a. the Mayor's Office of Youth Employment and its:
 - i. Career Ready NYC
 - ii. Disconnected Youth Task Force
 - iii. several programs connected with colleges and universities
 - iv. Federal Job Corps, Jobs-Plus
 - v. Opportunities connected through NYCHA's Office of Resident Economic Empowerment and Sustainability (REES) and Human Resources Department,

which connect folks to the mentioned programs and initiatives, as well as community partners which provide a host of services via “REES Zones”

1. Some NYCHA developments are served by onsite community development corporations that provide programming but also help residents find the opportunities listed here.
- b. the Mayor’s Office of Talent and Workforce Development and its:
 - i. Action Plan for Young Adult Career Success
 - ii. NYC Workforce Development Board
 1. multiple industry specific initiatives and partnerships
 2. an interagency task force
 3. an Office of Community Hiring
 - iii. NYC Department of Youth and Community Development
 1. Summer Youth Employment Program (SYEP) and its:
 - a. Train and Learn
 - b. Advance and Earn
 2. Cornerstone and Beacon Programs
 3. Office of Neighborhood Safety Programs
- c. NYC Office of Small Business Services and its:
 - i. Career Discovery NYC
 - ii. Workforce1 Career Centers

This is a non-exhaustive list, and it’s already a lot! Many of these programs use separate metrics, goals, documents, reports and data to explore what is ultimately the same issue. There are numerous job boards, applications, and portals to secure sometimes overlapping services. NYC needs to implement a cohesive system to replace this confusing web of programs and opportunities.

What should that look like?

- Centralized and user-friendly access point for residents, employers, and employees—including a centralized jobs board and newsletter where employers and employees can immediately go to post and view available opportunities and city agency can list vacancies.
- Implementing a strategic plan including but not limited to:
 - Unified metrics proposed by a central agency or body (like the Workforce Development Board), in partnership with relevant agencies, and continual updating and inclusion in the Mayor’s Management Report (MMR).
 - A publicly listed catalogue of all existing workforce development programs.
 - Review of existing programs and initiatives and consolidating, shifting funds, and expanding where necessary to eliminate overlap and push resources into sectors that match with the current need and approaches that have shown success. The city must be willing to be disruptive—end funding for programs that are not producing results no matter the age of the organization or strength of the relationships, fund those that show results, and expand those programs hastily. There is workforce development happening in neighborhoods across the city, and many are effective and nimble solutions. This centralized body should also be empowered to act quickly to advance the goals of economic development, able to help facilitate siting of programming as local groups look to find spaces and

quickly lift administrative or regulatory barriers that are hindering full employment. This type of effectiveness would require officials in the city from planning, buildings, finance, DCAS, NYCHA and other offices to meet semi-frequently and collaborate without the silos that tend to characterize engagement across city agencies.

- Take advantage of existing community focal points. NYCHA communities, schools, and existing CDC buildings serve as tremendous spaces to seed place-based interventions. This should mean:
 - including segmenting metrics based on groupings such as NYCHA resident or school district
 - specific partnerships between unions, industry groups, and companies themselves with local community groups
- Survey young people and industry leaders to probe whether there is a supply-demand mismatch, and explore and expand entrepreneurial offerings made possible by the internet and existing and coming technological industries including web3 applications, VR/AR, AI, robotics and automation, quantum computing, green tech, 3d printing an advanced manufacturing, UX/UI and others.

Since our event was held, the Adams Administration has made some headway toward the goal of creating a workforce system. The administration's Jobs NYC initiative includes three key components:

1. A new talent portal at jobs.nyc.gov (which aligns with the resident-driven policy idea to create a centralized job portal).
2. Direction of the administration's "hiring halls" into communities that have the highest unemployment.
3. Continuing to reform the city's minimum qualifications requirements to make entry-level jobs more accessible.

Furthermore, the administration has created a Workforce Development Council, a new body formed to lead strategy on the city's workforce development goals. Its creation fits well within our recommendation for a strategic organization to lead the city's efforts, but it is unclear how this organization differs from the already existing Mayor's Office of Talent and Workforce Development (NYC Talent) and the New York City Workforce Development Board, nor why the existing apparatus needs a new layer of bureaucracy. This was one of the main complaints from residents, but it may be positive if this new council will replace existing redundancies.

These efforts are welcome as long as they align with residents' urge to consolidate the endless list of programs and initiatives. The portal appears to be quite user-friendly, but we will continue to speak to residents to understand their experiences as Jobs NYC advances. Currently, the only named member of the workforce development council is Chair Rob Speyer. We hope that these recommendations inform the council's efforts and that folks on the ground are represented on the council.

3. Employ behavioral health interventions in NYCHA communities: No single issue was more apparent to residents and practitioners than the trauma afflicting youth. It is difficult for job training to occur when young people are faced with mental health hurdles and lack treatment to alleviate them.

NYC needs to treat this as a state of crisis. The immediate deployment of peer support specialists, with lived experiences similar to the impacted demographic and behavioral health treatments including psychotherapy, medication management, substance abuse treatment, group therapy, crisis intervention and other approaches as needed. This will require untraditional approaches to behavioral health, including:

- Mobile mental health teams where therapists and social workers are onsite in community spaces, for example:
 - Cure Violence in Chicago
 - The Trauma Response Team in Baltimore
 - Homeboy Industries in Los Angeles
 - Brownsville In Violence Out and The Brotherhood/Sister Sol are both NYC models, like others in NYC that already are working to provide these services but do not have the capacity or resources to make the impact that they are truly reaching for.
 - Free telepsychiatry and teletherapy.
 - Partnering with NGOs that specialize in the provision of support in disaster, war, and other highly stressful environments.
4. **NYCHA must align its policies and collaborate with City and State agencies:** NYCHA has a host of policies which fly in the face of efforts to repair our communities. The agency must alter its Admissions and Continued Occupancy Policy (ACOP) in the following ways:
- a. NYCHA must adopt more progressive policies around the use of illegal drugs and alcohol abuse. NYCHA should be facilitating supportive services instead of turning families away and evicting. For instance, the current NYCHA policy is to evict someone who has a drug overdose, subjecting a person to homelessness during their darkest hour. Research has found that a housing first model—which recognizes that stable housing is a prerequisite for effective psychiatric and substance abuse treatment and for improving quality of life—is a cost-effective way to reduce homelessness and improve community functioning. Housing First has been proven to have higher rates of retention than requiring treatment enrollment before housing, as NYCHA requires. A panel of independent public health and prevention experts appointed by the US Centers for Disease Control (CDC) found after reviewing 26 relevant studies that Housing First increases housing stability decreases homelessness and that every dollar invested in the model resulted in \$1.44 in savings. These are all goals that NYCHA should be in prioritizing. The current policy should be altered to provide the option of connecting applicants with voluntary supportive services if they respond.
 - b. The NY State Department of Health (DOH) has experts on-site at NYCHA developments currently providing and directing support for residents dealing with substance abuse issues and other conditions that often result from trauma. As stated in recommendation #4 above, this is a case where we need to bring the services to folks. These teams are underfunded and understaffed to meet the crisis. The city and state health officials should collaborate with NYCHA to organize the capacity needed to deploy mobile mental health teams and experts in harm reduction and behavioral services, as needed, to developments.
 - c. NYCHA must evolve its policies on eligibility as it relates to criminal background, only to screen for criteria that is mandatory under federal law and especially serious

violent offenses, and, eliminate periods of ineligibility to stop punishing those who have paid their debt to society. NYCHA can and should implement a less restrictive policy that safely aligns with principles that are evidence-based and nondiscriminatory. A 2021 study by researchers at Columbia University concluded that Black and Latina/o/x people made up 90 percent of jail admissions despite being only 52 percent of the population. Further, the study found that one in four Black men were incarcerated before the age of 38, compared to 16 percent for Latino men and 3 percent for White men at the same age. Racist policing and other forms of systemic racism have resulted in New Yorkers of color disproportionately facing barriers to housing, in addition to other collateral consequences from criminal convictions. NYCHA has a moral imperative, as the housing provider to the largest community of color in the United States, to do everything within existing laws to reverse the impacts of institutional racism.

- 5. Reform and expand the Section 3 program:** NYCHA residents do often have access to resources and jobs that are less likely to be available to the average low-income New Yorker. Services provided by non-profits and programs targeted at public housing residents are common at developments. There are even specific policies set to improve self-sufficiency in the public housing population. In addition to the aforementioned services, Section 3 of the Housing and Urban Development Act of 1968 (Section 3) is a provision aimed at promoting economic opportunities for low-income residents in communities where HUD-funded projects are being carried out. Section 3 requirements apply to recipients of certain HUD financial assistance, including public housing authorities and their contractors and subcontractors. For NYCHA, this means that “to the greatest extent feasible” public housing residents are provided job training and employment opportunities, and public housing resident-owned businesses or those that have hired public housing residents are prioritized in contracting opportunities in connection with projects and activities in their neighborhoods. NYCHA hired 6,160 residents through Section 3 from 2016 to 2020, according to a Freedom of Information Request by NY Focus.³ While this made up 34 percent of all hires (the official target is 30 percent) NYCHA only met this target in the two earliest years of the period. As construction work has ramped up at the authority, resident hires have fallen lower and lower, dropping to 22 percent in 2020. NYCHA hired only a shocking 8 percent through Section 3 for capital construction jobs in 2020, displaying a clear failure in terms of program goals. It is possible that this higher level of employment among NYCHA residents is a function of the successful implementation of the Section 3 program, but the program has a long way to go before it can be thought of as a success.

Over the last two decades, NYCHA has been successful at meeting the Section 3 targets for non-capital project work but has failed when it comes to capital projects.³³ As NYCHA looks to preserve, rehabilitate, and potentially build on its public housing stock, there is an opportunity to implement one of the largest public works programs in the history of the country. Addressing the \$40 billion capital backlog will create thousands of near-term construction jobs and spur additional employment at local manufacturing firms in places like the local Brooklyn Navy Yard and Brooklyn Army Terminal. It will also create 2,000 long-term jobs just for the maintenance of new building heating systems, doors, electrical systems, and other building improvements. The need for new, efficient building technology at NYCHA is similar to that of private homes as the city works to reach the lower carbon emissions targets set for buildings under Local Law 97.³⁴ The size of NYCHA’s stock allows

for the agency to take advantage of economies of scale, with the massive output of energy efficient appliances and building material (most of which is currently made overseas). This will create opportunities that NYCHA residents should be first in line for. Section 3 struggles have largely been a result of a mismatch between the NYCHA workforce and the needed jobs.

- Given the struggles of the Section 3 program, we welcome Intro 0165 and this committee's attention specifically to codify and strengthen a Section 3-like policy at the City level. We strongly support a study of a linkage fee for large commercial and residential projects as well as a report on the impact of proposed city-subsidized projects. We do offer some caution that projects producing high percentages of affordable units often have thin margins and should not be slowed as a result of this inquiry or burdened with a cost that may not allow them to pencil out. However, as with NYCHA projects, residents near large sites should be given training and opportunities to work. An exemption for certain projects from the fee should be implemented and the funds should be substituted with those from projects that have an inadequate labor force within their 2-mile radius. We think that this will be a serviceable solution given that unemployment in some high-income communities is low and the 2-mile radius of the job site may not reach those this policy is targeting for opportunities.
- We welcome Intros 0810 and 0844 and the altering of the terms of contract between EDC and NYCHA to advance entrepreneurship in public housing. The number of self-employed NYCHA residents increased by 472 percent, from 286 to 1,636 residents between 2012 and 2021. Despite this significant spike, less than 1 percent of NYCHA residents are business owners compared to 9.8 percent of city residents who are self-employed. These bills are certainly a part of a broader push to increase this metric. The Council's creation of a business directory of NYCHA tenant-owned businesses and a marketing campaign to highlight them, expansion of the Business Pathways programs beyond catering and childcare to include creative fields, retail, cosmetology, and others periodically identified as of interest to NYCHA residents, and recently launched "NYC Boss Up" program will help eight NYCHA and Section 8 resident owned businesses get off the ground with training and a \$20,000 grant are a beginning. We do note that residents still require the skills and training to gain experiences and ability to utilize the capital available to begin entrepreneurial pursuits. The closure of Job's Plus sites in crucial neighborhoods is a disconcerting occurrence that will make residents less prepared to take these opportunities
- Finally, we strongly support Intro 0860 and job training and employment data for large EDC projects. This greatly aligns with what residents said was needed, however, we do hope that this and all other data and metrics can be used and displayed in an effective way. If there is an opportunity to combine these metrics with data gained from processes laid out in Recommendation #2 above, this would help organize and unify our workforce system.

Thank you for the opportunity to testify. We look forward to working with you to improve the lives of and bring more opportunities to low-income New Yorkers, especially those in and around our NYCHA communities.

Contact information:

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NEW YORK CITY COUNCIL COMMITTEE ON ECONOMIC DEVELOPMENT Hearing

Thank you to the City Council, Economic Development Chair Fariás and the Committee on Economic Development for their work to strengthen the linkages between economic and workforce development.

My name is Denia Tavaréz, and I am the Senior Manager of Culinary Talent at Hot Bread Kitchen, an organization that uses the food industry as a catalyst for economic mobility. Thank you to the City Council for your ongoing support of our work, our members, and our initiatives.

We are also a proud member of the New York City Employment and Training Coalition, and here today in support of Resolution 77 calling for the establishment of a trust to fund job training, education and employment programs.

Over the past 16 years, Hot Bread Kitchen has not only supported a community of over 1,700 women and gender-expansive people, immigrants, and people of color in launching careers – we have also worked to place our members in careers with 180 food employers in Manhattan, Brooklyn, Queens, and The Bronx.

I want to share a story of one of our members with you. Ofelia immigrated from Mexico with her two kids, like 70% of our members, she was unemployed before joining our program. We welcomed Ofelia to our culinary training program in 2023, where she learned kitchen fundamentals and professional skills alongside other women of color. After graduating, my team provided direct job placement with one of our partners, Brooklyn-based grocery company Farm to People. Ofelia is thriving in her job as a prep cook—and we've heard great feedback from Farm to People. is thriving, earning money, and her employer has shared that this program had a huge impact on her self-confidence and career.

This story illustrates the success of Hot Bread Kitchen's work as the "nonprofit arm of the food industry" supporting not just job seekers, but food employers as well. Those employers across the industry including corporate dining e like Restaurant Associates, bakeries, cafes and restaurants. like Breads Bakery, and restaurants like Union Square Hospitality Group's Daily Provisions. Our members also boast a 65% retention rate—compared to 25% retention rate for the food industry overall.

Michael, the CEO at Farm to People, told us: "Ofelia has been an amazing addition to our team. We're very happy to be an employer partner. Knowing that a candidate has gone through HBK's programs helps us feel reassured in their professionalism and commitment to finding a good job in the local food economy."

Our community, which includes residents of 50 City Council districts, consists primarily of women of color (93%); a majority are immigrants (51%). 70% of our program participants this year were unemployed and below the poverty threshold before enrolling in our program. Our members are dedicated, hard-working New Yorkers seeking opportunities for meaningful careers, sustainable income, and long-term wealth generation for their families.

On behalf of Hot Bread Kitchen, I respectfully urge the Committee to pass this resolution to create a trust in support of funding job training, education and employment programs. Thank you for your attention to this important issue and for your investment in Hot Bread Kitchen's work and community.

Denia Tavares, Senior Manager of Culinary Talent



Testimony of Opportunities for a Better Tomorrow

COMMITTEE ON ECONOMIC DEVELOPMENT

Submitted by Evelyn Ortiz, Co-Chief Executive Officer

June 13, 2024

¡Buenas tardes! Good afternoon. My name is Evelyn Ortiz, and I am the Co-Chief Executive Officer of Opportunities for a Better Tomorrow (OBT), a longstanding member of the New York City Employment Training Coalition. Thank you, Majority Leader Farias, and the members of the Council for the opportunity to speak to you all today.

Founded in 1983, OBT is dedicated to breaking the cycle of poverty and inequity through education, job training, and employment. Annually, OBT assists over 1,000 individuals, more than 90% of whom are People of Color, who are unemployed or underemployed and lack the basic numeracy and literacy skills needed to secure family-sustaining wages. For the past four decades, OBT has empowered over 20,000 individuals, significantly enhancing economic equity and inclusivity across the communities we serve.

We appreciate the administration's diligent efforts to boost the economy post-pandemic, create jobs, and address inequitable practices. As a part of the Sunset Park Taskforce, OBT has witnessed firsthand the impactful work being carried out. The appointment of Maria Torres-Springer as the Deputy Mayor for Housing, Economic Development, and Workforce marks a historic step towards systemic improvement.

However, despite these advances, significant gaps remain that must be addressed as many of our communities continue to face substantial challenges. For instance, Brooklyn's overall unemployment rate stands at 11.17%, with a poverty rate of 19.2%. In neighborhoods like Brownsville, these figures are even more alarming, with unemployment reaching as high as 28.8% and a poverty rate of 18%. Additionally, about 30% of young New Yorkers ages 18-24 are neither in education nor employment, highlighting a critical gap in our workforce development efforts. Furthermore, while the Bureau of Labor Statistics forecasts an increased demand for highly educated workers by 2026, many of our residents lack the essential skills needed for these advanced roles, limiting their ability to participate in and benefit from our growing industries. These issues will only worsen as

NYC's economy shifts to sectors requiring more education and specific industry recognized credentials.

Continuous, uninterrupted investments are necessary to address these challenges, but they are not enough on their own. These investments must be paired with a comprehensive and an intentional approach that integrates the entire workforce system to tackle these issues holistically. It is crucial that organizations like those on this panel are recognized not just as contributors of ideas and providers of services, but also as vital partners in implementing significant infrastructure plans. These collaborative efforts can dramatically change the trajectory of the lives of those we serve, affecting generations to come.

For example, OBT's Renewable Energy and Sustainable Construction Training Program is strategically tailored to address the evolving needs the green economy. By collaborating with employer partners such as Con Edison, the Haugland Group, and various labor unions, OBT ensures our training is directly responsive to industry demands, preparing a skilled workforce for present and future needs. Yet, our efforts obviously constitute only a fraction of the broader solution required. Robust community activation is essential to ensure that the thousands of jobs being developed, particularly along Brooklyn's waterfront, are accessible to all local residents.

We believe that legislation such as Intro 0164, which focuses on community impact reports, and Intros 0860 and 0861, which mandate the disclosure of community benefit agreements and additional job training and employment data for projects exceeding \$150,000, are crucial for ensuring that city-subsidized projects deliver real benefits to the communities we serve. To ensure that these efforts are not only sustained but also effectively expanded, we propose the following recommendations:

1. **Increased Resources for Providers:** By enhancing funding that addresses both skills development and supportive services—including stipends for food, transportation, and clothing, as well as case management—will empower more individuals to successfully navigate these programs, thereby addressing the critical skills gap that prevents many from participating in the city's growing industries.
2. **Establishing a City Council Committee or Sub-Committee on Workforce Development:** This committee should focus on funding the workforce development system, including setting wage floors and requiring employer investment in workforce development funds, as outlined in Intro 0860. Additionally, the committee should track employment, wages, return on investment, and equity and inclusivity measures related to occupations/industries in NYC.
3. **Foster Collaborations and Strategic Partnerships Among Workforce & Adult Literacy Providers, Government, Philanthropy, Educational Institutions, Labor Unions, and Social Service Organizations.** We see this type of activation

happening in areas like Central New York with the historic Micron investment, which will revitalize and strengthen the region. As the largest region in our state and one of the largest in our country, New York City must prioritize talent development and support our local communities in accessing the jobs being created

By integrating the expertise of our training providers with investments from both the public and private sectors, we can establish a robust workforce development system that meets the needs of our communities and supports sustainable economic growth.

Thank you for considering our insights and for your continued efforts to build a more inclusive and prosperous future for all New Yorkers.

Evelyn Ortiz
Co-Chief Executive Officer
Opportunities for a Better Tomorrow
Email: eortiz@obtjobs.org
Cellphone: 347-213-9209

Testimony of St. Nicks Alliance

COMMITTEE ON ECONOMIC DEVELOPMENT

Submitted by Larry Rothchild, Senior Managing Director Workforce Development
June 13, 2024

I'd like to thank **Majority Leader Farias** for her continued commitment to linking workforce development and economic development in New York City and for this committee's current focus on the intersection of community development, workforce development and economic mobility

St. Nicks Alliance's Workforce Development Center has been providing skills training and employment services for **over 25 years to over 1700 residents of North and Central Brooklyn** annually. SNA is a member of NYCETC. We train in high demand sectors including the Green Trades (Construction, HVAC, Environmental Remediation, Building Maint), Tech (Data Analytics, Google IT), Healthcare (CNA/PCT, HHA), and Financial Services/Customer Service. We serve both Adults and Young Adults (18-25). **We ensure all participants get Workplace Success Skills/Job Readiness Training, Digital Literacy, Transformational Coaching, Paid Work Experience, match with industry mentors and post placement/job retention support including alumni meet ups.**

We see both job seekers and our employer partners as our customers. As such, we develop training for entry level jobs that our disadvantaged residents can be successful in AND work closely with employers to make sure we are meeting their needs.

St. Nick Alliance **seeks funding to fully support the community demand for these sector focused training.** Additional funding could meet these three needs:

- **Funding does not always support the comprehensive services our participants need.** For instance, expanded funding to support paid work experience for all trainees (adults & Young Adults) as this industry work experience is critical for our clients to get hands-on experience employers demand.
- **With additional funding SNA could run additional cohorts to better meet employer and participant demand AND expand all sectoral training** to both adults and young adults.
- **Longer funding cycles and elimination of funding gaps would allow us to maintain regular operations, meet demand and maintain a strong and experienced staff.** For instance, US EPA funds St Nicks to provide ERT training in 3 year cycles which allows us to continually offer ERT since 2001 without any gaps. Other programs have experienced unfunded periods and we have had to delay training, cobble together other funding streams or provide services at reduced effectiveness.

We currently train 650 annually. We run weekly info sessions but the sector and our waitlist/demand for trainings is growing.

St. Nicks Alliance as a community based organization that continues to have great success connecting economic development opportunities to workforce development opportunities. **Our workforce development activities originally stemmed from our work with the East Williamsburg industrial community and their need for entry level local workers and trained ER Techs, truck drivers, bookkeepers and office staff.** As our workforce development services solidified and developed a strong reputation, we began to tailor our services to economic development in our region. **We partnered with Two Trees Management on the Domino Sugar Redevelopment Project. Two Trees has helped to develop and support our Green Construction, HVAC, Bldg Maint and Urban Greenscaping Trainings. We have had a community partnership agreement for each phase of the project. To date they have hired over 150 of our graduates** on the project as well as their developments throughout Brooklyn. This **success led to partnering with several local developers on a pay per trainee model** which supports the training of local community members and employment in the community. **This includes Mega on the Broadway Triangle redevelopment project and Hudson/Broadway Builders on the redevelopment of the former Greenpoint Hospital Campus.** We also partner with local employer partners for work experience and placement including **Woodhull Hospital, St. Nicks Home Care, AAD and Mega.**

St. Nicks Alliance and our Workforce Center are very interested in **maintaining/fortifying this connection in North and Central Brooklyn with local businesses** and in the industries we support: Green Trades, Healthcare, Tech, Manufacturing etc. **We would like to see city wide or region wide efforts to match existing workforce operations from SNA and our peers to larger scale opportunities that are happening such as tech, wind, ...Having workforce orgs onboard to design and support training would allow for cutting edge industry support.**

St. Nicks supports:

Int 0165-2024 - A Local Law in relation to a study on the feasibility of establishing a commercial and residential linkage fee

Rest 0077-2024 - Resolution calling on the New York State Legislature to pass, and the Governor to sign, legislation that would create a linkage fee for large scale residential or commercial projects, and create a trust that would receive this fee to fund job training, education and employment programs.

It is critical that our city and state make targeted and sustained investments (and incentives) to achieve the racial equity for the historically marginalized communities we serve at St. Nicks Alliance. Your resolution is crucial and sets the foundation for what is needed. St. Nicks Alliance supports this effort.

Please accept my sincere thanks for the opportunity to testify. I am accessible through email at lrothchild@stnicksalliance.org and phone 718-302-2057 ext 416.



June 13, 2024

Good afternoon Chair Farías and members of the Committee on Economic Development.

My name is Alex Malescio and I am here today on behalf of Urban Upbound (a.k.a East River Development Alliance, Inc.) to express support for Intros 165, 810, and 844.

Urban Upbound is dedicated to breaking cycles of poverty in New York City's public housing and lower-income communities. Two programs that are central to accomplishing our mission are workforce development and entrepreneurship support and Urban Upbound believes that the aforementioned bills would have a positive impact on this body of work.

Regarding Intro 165, the creation of a workforce development fund, supported by developer-paid linkage fees, is an opportunity to fill two gaps that- due to limited financial resources- commonly exist in workforce development programs across the City. These are: skill-specific trainings and stipend programs. For instance, Urban Upbound provided over two hundred clients with OSHA-30 and/or Site Safety Training certificates last fiscal year. We've witnessed the demand for these classes firsthand, as with additional funding, we could more than double the number of clients who enroll in our free classes. Additionally, some of Urban Upbound's most successful programs that provide free skill-specific trainings have traditionally been paired with stipends for participants. These stipends lower the barrier to entry to such programs, which typically can take days if not weeks to complete, and thus are often difficult to attend for New Yorkers who are trapped in cycles of poverty. Therefore, Urban Upbound recommends that the study proposed by Intro 165 explore the impact of specifically funding stipends and skill-specific trainings.

Additionally, Intros 810 and 844 address two of the most potent challenges that entrepreneurs- particularly those who are NYCHA residents- face when starting or growing a small business: lack of access to capital and operating space. Urban Upbound works diligently to connect the entrepreneurs we support to accessible capital and operating space, but there is simply not enough available to meet the needs of lower-income entrepreneurs, especially those who lack English proficiency or who are young adults.

Urban Upbound fully supports all three of these bills and is happy to answer any questions.

Thank you,

Alex

**THE COUNCIL
THE CITY OF NEW YORK**

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Appearance Card

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

Date: June 13, 2024

(PLEASE PRINT)

Name: Antoinette Gregg

Address: [redacted] Bronx, NY 10467

I represent: Per Scholas, Inc

Address: 804 E 138th Street Bronx, NY 10454

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Appearance Card

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 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Larry Rutledge

Address: l.rutledge@stnicksalliance.org

I represent: St Nick's Alliance

Address: 7 Kingsland Ave Brooklyn NY

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Appearance Card

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 in favor in opposition

Date: 6/13/2024

(PLEASE PRINT)

Name: Denia Tavaréz

Address: 42 Rivington St NY 10002

I represent: NYC Employment Training Coalition

Address: _____

**THE COUNCIL
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in favor in opposition

Date: 6/13/24

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Name: PJ Berg
Address: NYCEDC 1 Liberty Plz NY 10006
I represent: NYCEDC
Address: 1 Liberty Plz NY 10006

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Name: Shehila Stephens
Address: NYCEDC One Liberty Plaza
I represent: NYCEDC
Address: NYCEDC One Liberty Plaza

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Name: Eileen Ortiz
Address: [Redacted] NY 11232
I represent: Upper East Side / v a Betty Tomer
Address: 882 3rd Avenue 10th Flr Bklyn NY 11232

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Name: Ibrahim Xavier Johnson

Address: _____, NY, NY 10030

I represent: self

Address: _____

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Name: Emerita Torres

Address: 633 3rd Ave

I represent: Community Service Society

Address: 635 3rd Ave

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THE CITY OF NEW YORK**

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in favor in opposition

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Name: GREGORY J. MORRIS

Address: 1211 6th Ave NYC 10013

I represent: NY CATCHES

Address: 1211 6th Ave NYC 10013

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in favor in opposition

Date: 6/13/24

(PLEASE PRINT)

Name: Chris Lugaiero

Address: [Redacted] Jamaica NY 1103

I represent: The Doc Fund

Address: 345 E 102nd St, New York NY 10029

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Appearance Card

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

in favor in opposition

Date: 6/13/2024

(PLEASE PRINT)

Name: Sharon Brown

Address: _____

I represent: Rose of Sharon Enterprises

Address: 130-10 140 Street Suite 1
Jamaica NY 11436

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