

COMMITTEE ON ECONOMIC DEVELOPMENT

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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June 13, 2024

Start: 1:10 p.m.

Recess: 3:18 p.m.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Amanda Farías, Chairperson

COUNCIL MEMBERS:

Alexa Avilés

Erik D. Bottcher

Rafael Salamanca, Jr.

A P P E A R A N C E S

Shehila Stephens, Director of Equity and Community Impact at the New York City Economic Development Corporation

PJ Berg, Executive Vice President for Real Estate Transaction Services Department at the New York City Economic Development Corporation

Mikelle Adgate, Senior Vice President of Government and Community Relations Department at the New York City Economic Development Corporation

Evelyn Ortiz, Co-Chief Executive Officer of Opportunities for a Better Tomorrow

Larry Rothchild, Senior Managing Director of Workforce Development at St. Nicks Alliance

Chris Luggiero, Vice President of Communications at the Doe Fund

Gregory J. Morris, Chief Executive Officer of New York City Employment and Training Coalition

Emerita Torres, Vice President of Policy at the Community Service Society of New York

Antoinette Gregg, Senior Director of Development for Per Scholas

Denia Tavarez, Senior Manager of Culinary Talent at Hot Bread Kitchen

A P P E A R A N C E S (CONTINUED)

Ibrahim Xavier Johnson, self

Sharon Brown, Rose of Sharon Enterprises

Alex Malescio, Urban Upbound, aka East River
Development Alliance, Inc.

2 SERGEANT-AT-ARMS: This is a microphone
3 check for the Committee on Economic Development,
4 recorded by Layla Lynch, in the Committee Room on
5 June 13, 2024.

6 SERGEANT-AT-ARMS: Good afternoon, and
7 welcome to the New York City Committee on Economic
8 Development.

9 At this time, please place your phone on
10 vibrate or silent mode.

11 If you wish to submit testimony, send it
12 to testimony@council.nyc.gov. Once again, that's
13 testimony@council.nyc.gov.

14 At this time during the hearing, do not
15 approach the dais.

16 Thank you for your cooperation.

17 Chair, we are ready to begin.

18 CHAIRPERSON FARIÁS: [GAVEL] Good
19 afternoon, and welcome to this hearing of the New
20 York City Council's Committee on Economic
21 Development. I am Majority Leader Amanda Fariás,
22 Chair of the Committee on Economic Development. I
23 want to thank you all for being here today.

24 Before I introduce today's hearing topic,
25 I'd like to acknowledge Committee Members who are

2 currently present. Thank you, Council Member Avilés,
3 for being here. I also want to extend my appreciation
4 to the New York City Economic Development Corporation
5 and other stakeholders for participating in this
6 important hearing.

7 Today, we will hear six bills and one
8 resolution. These bills include three that I have
9 sponsored, Introductions 164, 165, and 810.

10 Introduction 164 would require the Department of
11 Small Business Services or EDC to produce a report
12 delineating a quantitative and qualitative analysis
13 of the projected impact of a proposed economic
14 development project on affected communities. Thirty
15 days prior to the approval of the award of an
16 economic development benefit for a project, a
17 community impact report would be submitted to the
18 Council.

19 Introduction 165 would require the Mayor
20 to designate an office or agency to conduct a
21 feasibility study on the creation of a linkage fee
22 that a developer would pay for any residential or
23 commercial construction project that is larger than
24 100,000 square feet. The fee is intended to fund job
25 training for workers to be employed at the project

2 site and for job contribution, which is paid into a
3 trust for the benefit of the community within a two-
4 mile radius of the job site.

5 Introduction 810 would alter the terms of
6 a contract between the City and EDC and require EDC
7 to create a public housing entrepreneurship program
8 to support public housing residents in growing their
9 businesses. The bill would also require EDC to issue
10 a report about the viability of using NYCHA-owned
11 vacant property for commercial pop-ups.

12 In addition to my three bills, we have
13 two bills sponsored by Council Member Avilés,
14 Introductions 860 and 861, and Introduction 844
15 sponsored by Council Member Riley.

16 Introduction 860 would require EDC to
17 include additional job training and employment data
18 for projects over 150,000 dollars in its annual
19 report.

20 Introduction 861 would alter the terms of
21 the contract between the City and EDC by requiring
22 EDC to include disclosure of certain details
23 regarding community benefit agreements related to EDC
24 projects in its annual report.

2 Introduction 844 would alter the contract
3 between the City and the EDC by requiring EDC to
4 offer micro-grants up to 10,000 dollars, where
5 appropriate, to establish, expand, or grow businesses
6 as part of the public housing entrepreneurship
7 program.

8 Lastly, we will hear Resolution 77, which
9 I have sponsored. The Resolution calls upon the New
10 York State Legislature to pass and the Governor to
11 sign legislation that would create a linkage fee for
12 large-scale residential or commercial projects and
13 create a trust that would receive this fee to fund
14 job training, education, and employment programs.

15 Even though I read all of that, we're
16 having a tech problem, and I will probably have to
17 start again, so we're going to pause.

18 All right, I'm just going to start from
19 the top, just in case, just for public record and
20 good government transparency.

21 All right, y'all. [GAVEL] Just going to
22 make sure that's on record. Good afternoon, and
23 welcome to this hearing of the New York City
24 Council's Committee on Economic Development. I am
25 Majority Leader Amanda Fariás, Chair of the Committee

2 on Economic Development. I want to thank you all for
3 being here today and, before I introduce today's
4 hearings topic, I'd like to acknowledge Committee
5 Members who are present and acknowledge Council
6 Member Avilés has joined us. I also want to extend my
7 appreciation to the New York City Economic
8 Development Corporation and other stakeholders for
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10 Today we will hear six bills and one
11 resolution. These bills include three that I have
12 sponsored, Introductions 164, 165, and 810.
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14 Small Business Services, or EDC, to produce a report
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7 mile radius of the job site.

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11 program to support public housing residents in
12 growing their businesses. The bill would also require
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14 using NYCHA-owned vacant property for commercial pop-
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13 York State Legislature to pass and the Governor to
14 sign legislation that would create a linkage fee for
15 large-scale residential or commercial projects and
16 create a trust that would receive this fee to fund
17 job training, education, and employment programs.

18 Before I turn the floor over to my
19 Colleague to speak on her bill, I would like to
20 express my hope that this legislative package would
21 help establish specific initiatives to support
22 economic development and job creation in public
23 housing. Expanding agency transparency on how they
24 are helping these communities while creating new
25 programs that target the underserved are imperative

2 steps to offset negative community impacts that
3 relate to large economic development projects
4 throughout our city.

5 Finally, I would like to thank the
6 Economic Development Team here at the Council, Senior
7 Counsel Alex Paulenoff, Senior Policy Analyst William
8 Hongach, and Finance Analyst Glenn Martelloni for all
9 their hard work preparing for this hearing.

10 I will now turn the microphone over to
11 Council Member Avilés to speak on Intros 860 and 861.

12 COUNCIL MEMBER AVILÉS: Thank you, Chair
13 Fariás, and thank you everyone for being here today
14 and for putting our two bills, Intro 860 and 861, on
15 the agenda. I believe both of these are critical to
16 achieving greater transparency with regards to
17 economic development plans in our communities.

18 I guess starting with Intro. 860, I want
19 to provide just a bit of context. In District 38, the
20 EDC has often made promises to execute large projects
21 that require substantial public investment, promising
22 our neighborhoods significant economic and workforce
23 development opportunities that unfortunately never
24 seem to materialize as they are sold. In District 38,
25 one such example is the Made in New York Campus,

2 launched in 2017, way before all of our times. EDC
3 promised that through this film and television hub
4 placed in Sunset Park, they would be able to advance
5 diversity and equity in the media and entertainment
6 industries, create thousands of jobs. Our community
7 has yet to see those particular benefits, and we know
8 the project is soon to launch, especially in terms of
9 local workforce development. I'm sure many of you are
10 familiar with Industry City, an EDC project we are
11 now many, many years into, and yet the economic
12 development benefits of that project has not yet
13 seemed to cross over Third Avenue and into our
14 community. As such, our community has grown very
15 weary and are now understandably extremely skeptical
16 of any EDC announcement of any project promising jobs
17 and promising grand investments, which even include
18 the most recent redevelopment of the South Brooklyn
19 Marine Terminal, which I'm very excited about, yet
20 it's still hard to hold any local benefits there that
21 we see. So Intro. 860 would ensure that the EDC
22 reports on key measures for such projects, including
23 community engagement efforts to promote local hiring,
24 zip code data regarding participants in job training
25 programs, and whether jobs are full-time or part-

2 time, seasonal or temporary, union or non-union, to
3 name a few of the metrics included in this
4 legislation. Understanding these metrics is critical
5 to understanding the true benefits of these projects
6 to not only our neighborhood, but to the city.

7 Moving into Intro. 861, this local law
8 would amend the Administrative Code of the City of
9 New York in relation to requiring disclosure of
10 community benefits agreements in the annual report by
11 certain contracted entities. As part of certain
12 economic development projects, EDC may also engage in
13 community benefits agreements, the contents of which
14 community members may not actually be aware of and,
15 at times, the intended benefit may even fail to
16 materialize. In one such example in my District, the
17 MSC cruise operator agreed to donate funds towards a
18 green thumb garden in Red Hook as an acknowledgment
19 of the lucrative agreement that they had reached with
20 the EDC. However, no such green thumb garden actually
21 exists in Red Hook. It was given to another
22 community, and Red Hook community was left scratching
23 their head as to how this came to be considered our
24 community benefit.

2 Both of these bills are critically
3 important for understanding how local communities
4 benefit from large-scale economic development
5 projects that often feel extractive so I look forward
6 to robust conversations so how we can arrive at the
7 best possible legislation, and I know this is work
8 that we have been working on together in partnership
9 with EDC to be more transparent, to be more clear and
10 exacting, and also to include the community in part
11 of the decision-making, not just tell us what our
12 benefits are, and I think that is a really important
13 element that I will continue to press ever in my
14 tenure as Council Member and as a resident. With
15 that, thank you, Chair.

16 CHAIRPERSON FARÍAS: Thank you so much.
17 I'd also like to acknowledge we've been joined by
18 Council Member Bottcher.

19 I'd like to remind Council Members and
20 members of the public that this is a formal
21 government proceeding and that a quorum shall be
22 observed at all times. For those members of the
23 public, if you agree with something that is being
24 stated, please use this hand gesture. Otherwise, all
25 members of the public shall remain silent.

2 I would now like to ask members of the
3 Administration to raise their right hands as the
4 affirmation is read by our Committee Counsel.

5 COMMITTEE COUNSEL PAULENOFF: Please raise
6 your right hands.

7 To all members of the Administration
8 testifying today, do you swear or affirm to tell the
9 truth, the whole truth, and nothing but the truth in
10 your testimony, and to respond honestly to Council
11 Member questions?

12 DIRECTOR STEPHENS: Yes.

13 SENIOR VICE PRESIDENT ADGATE: Yes.

14 EXECUTIVE VICE PRESIDENT BERG: Yes.

15 COMMITTEE COUNSEL PAULENOFF: Thank you.

16 You can begin when ready.

17 DIRECTOR STEPHENS: Good afternoon, Chair
18 Farías and Members of the Economic Development
19 Committee. My name is Shehila Stephens, and I am the
20 Director of Equity and Community Impact for the New
21 York City Economic Development Corporation. I am
22 joined by my colleagues PJ Berg, who is the Executive
23 Vice President for Real Estate Transaction Services
24 Department, and Mikelle Adgate, who is our Senior

2 Vice President of Government and Community Relations
3 Department.

4 The New York City Economic Development
5 Corporation is charged with creating a vibrant,
6 inclusive, and globally competitive economy for all
7 New Yorkers. Our work is guided by four strategic
8 priorities, strengthening business confidence,
9 growing innovation industries with a focus on equity,
10 building neighborhoods as places to live, learn,
11 work, and play, and delivering sustainable
12 infrastructure. I want to thank the Council and this
13 Committee for your continued partnership in
14 supporting economic development projects and programs
15 to benefit local communities, residents, and
16 businesses across all five boroughs.

17 Regarding 860 and 861, we would like to
18 state that we would like to support and advance
19 equitable economic development and, in 2022, EDC
20 created the Equity and Community Impact Division to
21 both strengthen and better quantify EDC's impact
22 across communities. I am privileged to serve as the
23 first Director of this pillar, which is designed to
24 mobilize EDC's equitable economic development
25 strategy, focused specifically on economic mobility

2 in areas such as M/WBE, workforce development, and
3 diverse entrepreneurship. My group's initiatives are
4 designed to deliver direct, positive impact for all
5 New Yorkers, focusing on enhancing quality of life
6 and promoting equity across the city. At EDC, we take
7 our mission of creating an inclusive economy for all
8 New Yorkers seriously, and we are proud of our
9 transparency in the work that we do to ensure that
10 our projects benefit local neighborhoods. To that
11 end, we look forward to working with the Council on
12 Introduction 860 and 861, and working together to
13 provide additional reporting on community benefits
14 commitments, job training, and employment associated
15 with EDC projects.

16 Assessing and ensuring positive community
17 impact of our projects is an essential part of EDC's
18 work. To that end, in January 2024, EDC launched its
19 first measurement and evaluation strategy, focused on
20 deepening our understanding of EDC's community
21 impact. EDC is currently developing robust mechanisms
22 to ensure positive impacts occur, such as developing
23 metrics that allow us to annually measure our agency-
24 wide equitable dollar investment and opportunities
25 that result in increased jobs, diverse

2 entrepreneurship access, innovative industry
3 expansion, and stronger, more sustainable communities
4 across New York City. Our data collection efforts
5 will provide a baseline of our current citywide
6 community impacts, while providing evidence for how
7 EDC can cultivate additional investment
8 opportunities, particularly within the city's
9 disadvantaged communities. Additionally, EDC's in-
10 house research team conducts a variety of impact-
11 related analysis with an aim towards ensuring
12 positive fiscal impact for all of our projects.

13 With respect to reporting, EDC is
14 committed to transparency and, to that end, we
15 already track and produce a vast amount of data
16 regarding a wide range of community impacts. Today,
17 we will highlight three of those efforts. Our Annual
18 Investment Projects Report, the NYC EDC Impact
19 Report, and the Mayor's Management Report.

20 The Annual Investment Projects Report is
21 submitted to the New York City Council and posted on
22 the EDC website by January 31st of each year. Last
23 year, this comprehensive three-volume report totaled
24 over 900 pages and covered 449 projects. It provides
25 robust information on projects that receive financial

2 assistance in excess of 150,000 dollars, including,
3 among others, project name, location, land, and
4 square footage, type, duration, and estimated total
5 amount of City assistance received, employee
6 information, including where applicable, information
7 regarding NYC residency, health benefits, the number
8 and percentage of employees earning less than a
9 living wage, and for projects with 250 or more
10 employees, compensation data within three wage bands.
11 We are proud of this transparency, and we believe
12 this report gives the Council and public extensive
13 insight into EDC's projects and initiatives. The EDC
14 website also includes a link for public comments and
15 questions.

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

2 EDC also reports to the public and the
3 City Council twice yearly as a part of the
4 Preliminary Mayor's Management Report, or the PMMR,
5 which covers performance for the first four months of
6 the Fiscal Year from July through October, and the
7 Annual Mayor's Management Reports, including
8 information on our operations as well as key
9 performance metrics. While EDC supports the spirit of
10 Introduction 164, we believe that the preparation of
11 these reports would be extremely costly, and the
12 information reported would be redundant to
13 information EDC already reports. In addition, EDC's
14 projects often go through extensive public review
15 processes, such as environmental review, the Uniform
16 Land Use Review Procedure, or ULURP, or similar
17 public review processes, many of which already
18 contain detailed disclosure requirements that overlap
19 with the requirements considered by this bill, such
20 as requirements for reporting of information
21 concerning residential and business displacement.
22 This bill would require significant additional
23 analysis and will delay projects, necessitate the
24 hiring of more consultants, and ultimately increase
25 project costs. All things that we believe are not in

2 the interest of New Yorkers who want government to
3 move faster and spend more wisely. For all those
4 reasons, we are opposed to Introduction 164.

5 Turning to Introduction 165, which seeks
6 to require a study on the feasibility of establishing
7 a commercial and residential linkage fee, the
8 administration is opposed to a linkage fee
9 feasibility study. The Administration believes that
10 the linkage fees are not the best vehicle to support
11 New York City communities. Specifically, the City is
12 confident that linkage fees, which operate as tax on
13 development, would discourage the very housing
14 production that the City desperately needs to solve
15 its current housing crisis. It also broadly believes
16 that such fees would act as barriers to new
17 development that would help to expand the City's tax
18 base and allow Council and the Administration more
19 funding to carry out key initiatives. We support the
20 City's existing approach to funding workforce
21 development programming. For all those reasons I've
22 outlined, the Administration cannot support the
23 proposed linkage fee study. In the current
24 environment and given our substantial concerns about
25

2 linkage fees, undertaking a study at this time would
3 needlessly divert resources and staff time.

4 With respect to Introduction 810 and 844,
5 which address public housing entrepreneurship, a
6 commercial pop-up program and micro-grants, the New
7 York City Housing Authority, not EDC, is the
8 appropriate entity for these efforts. NYCHA already
9 has established entrepreneurship programming
10 facilitated by the Office of Resident Economic
11 Empowerment and Sustainability, or REES program. REES
12 and its partners throughout the city already work to
13 help NYCHA residents launch or grow business through
14 business education, access to financing, affordable
15 space, and other key assistance. Strategic expansion
16 and increased funding of these initiatives under REES
17 accomplishes the goal of the legislation without
18 creating redundancy. EDC remains happy to collaborate
19 with NYCHA and REES as appropriate to support and
20 grow their existing programs.

21 Thank you for this opportunity to speak
22 with you today, and we're happy to answer any
23 questions you may have.

24 CHAIRPERSON FARIÁS: Thank you, folks, for
25 your testimony this morning.

2 I have a couple questions based off of
3 your testimony, and then I'll jump into the general
4 questions around the legislation.

5 Just quickly on the three reports that
6 you folks already administer outwards, where do they
7 get sent? Is it just to the Mayor's Office or both to
8 the Mayor and the City Council? Or is it Mayor's
9 Office and then just publicly listed on your website?

10 SENIOR VICE PRESIDENT ADGATE: The annual
11 investment projects report, we have a hard copy here
12 available, is submitted to the Mayor, the City
13 Council, and available on the EDC website.

14 CHAIRPERSON FARIÁS: Okay.

15 SENIOR VICE PRESIDENT ADGATE: And the
16 Impact Report, this is available on our website, but
17 we also print hard copies.

18 CHAIRPERSON FARIÁS: And then the MMR is
19 sent to the Mayor's Office?

20 SENIOR VICE PRESIDENT ADGATE: It goes
21 through the same process.

22 CHAIRPERSON FARIÁS: Okay, great. In terms
23 of Intro. 164, you believe the preparation of the
24 reports would be extremely costly. That's just a
25

2 guesstimate, or have we looked at an estimation of
3 cost?

4 SENIOR VICE PRESIDENT ADGATE: We have
5 started to think through what the cost would entail.
6 Depending on the size and the scope of the project,
7 it could be tens of thousands of dollars to hundreds
8 of thousands of dollars, given the amount of detail
9 that is being asked for in that reporting. In
10 addition, because of the time that the reporting is
11 asked to be submitted, we're concerned that it will
12 actually delay project implementation because, if we
13 are doing that type of analysis before we even go
14 through, say, an environmental review process or a
15 EULER process, that would essentially slow down the
16 work that we are trying to do.

17 CHAIRPERSON FARIÁS: Okay, great. I see
18 you listed that the Administration doesn't believe
19 linkage fees are the best vehicles to support New
20 York City communities. Has that been a conversation
21 you've been having back and forth with the
22 Administration Mayor and the Deputy Mayor, or is that
23 just EDC's perspective?

24 EXECUTIVE VICE PRESIDENT BERG: Thank you
25 for the question and, yes, it is. We've consulted

2 with our partners across the Administration and
3 confirmed that during a once-in-a-generation housing
4 crisis, any action that could exacerbate the housing
5 crisis and jeopardize our jobs recovery is not
6 something that we agree with.

7 CHAIRPERSON FARIÁS: Have they answered to
8 how they plan on getting community commitments from
9 development happening in communities because they
10 have not been able to do that over the last two
11 years.

12 EXECUTIVE VICE PRESIDENT BERG: How to
13 obtain commitments...

14 CHAIRPERSON FARIÁS: From the developments
15 like our CBAs that happen around surrounding
16 development in communities, whether that's been
17 following up on things that have been from a previous
18 Administration or getting firm commitment through an
19 MOU or any legal ways which we are unable to do, have
20 they said to you how they plan to get fulfilled
21 commitments through development if linkage fees is
22 not an option that they're willing to consider?

23 EXECUTIVE VICE PRESIDENT BERG: I'll pass
24 it back to Mikelle to begin an answer.

2 SENIOR VICE PRESIDENT ADGATE: Sure.

3 Majority Leader, the conversations that we've had so
4 far about linkage fees in particular are about the
5 principle of an added development fee. We didn't
6 speak specifically with other agencies about existing
7 community benefit agreements and securing
8 commitments. For that side, I can only speak to the
9 EDC process and, as you know, with many of our
10 projects, whether we have points of agreements
11 because of rezonings that we've supported or we've
12 had commitments that Council Members and EDC have
13 been able to secure. In those dynamics, we work very
14 closely with the developers as well as our in-house
15 teams to ensure that those are fulfilled, but I do
16 think to Council Member Aviles' point about
17 transparency on those commitments, particularly
18 between Administration changes, that's something that
19 we're striving to improve on, and I think with
20 Shehila's team, it's one of the ways that we're
21 really working to improve on, and that's why we look
22 forward to working with the Council on 860 and 861 in
23 particular, because we do think that that
24 transparency will be helpful in ensuring that the

25

2 commitments that were made are actually fulfilled
3 upon.

4 CHAIRPERSON FARIÁS: I think the way at
5 least I'm viewing my role here as a legislator with a
6 limited amount of time, my goal is to make sure I'm
7 leaving New York City, families, the Bronx, people in
8 District 18 better than how they were when I got
9 here. I think it's pretty disingenuous from the
10 Administration to say that this seems as if it will
11 operate as a tax on development when we know good and
12 well the City doesn't have the ability to put any
13 taxes, especially on development, along with the fact
14 that we have not yet to today been able to get
15 developers to commit to their CBAs, along with, and I
16 do just want to say, it is not lost on any of us that
17 when we're working on a ULURP or when we're working
18 on a project with an agency that the financing today,
19 by the time they get to implement, looks different in
20 two years, three years, five years, and so sometimes
21 that has to be, the CBAs have to be re-adapted or the
22 job training that has to be put in place couldn't be
23 fulfilled completely, etc. To me, this feels, I'm
24 trying to think of a better word than saying lazy
25 from the Administration to immediately say no to

2 this, considering that they were left with projects
3 from their predecessors, just as if I was left with
4 projects from my predecessor, where we have to always
5 clean up the people before us' mess. This is a way to
6 solidify that there is a pocket of funds dictated
7 somewhere to ensure, whether it's a prevailing wage
8 project, it's a local hire, or community hiring
9 project, or we need to create a pipeline in a local
10 school with a STEAM, STEM, construction, aviation,
11 whatever background, that there's always going to be
12 a continuous designated pot where we can ensure the
13 community that they are included in a development
14 project, and so our conversations will continue after
15 this hearing, but I just want to put that out there
16 in that we have to create things that live beyond us
17 with certainty and with funding to ensure that we're
18 creating foundation or stabilization for communities,
19 especially with the fact that while we have great
20 numbers in job creation, we all know in this space
21 that we have created more low-wage jobs than we have
22 mid-wage or high-wage jobs throughout this city, and
23 union employment, job training, and credentialed
24 building trades and construction fields are a direct
25 pathway into midway and high-level employment

2 throughout this city so I will just put that there.

3 Actually, I can ask this to Counsel, but do you folks
4 offhand know how long the Office of Resident Economic
5 Empowerment and Sustainability, the REES program, has
6 existed?

7 DIRECTOR STEPHENS: We do not know how
8 long.

9 CHAIRPERSON FARIÁS: Okay, we'll check
10 offline. Okay, thanks folks.

11 Okay, so during Fiscal Year 2023, many
12 subsidized economic development projects for both
13 commercial and residential, were those recorded? Do
14 we know how many they were recorded in FY23?

15 SENIOR VICE PRESIDENT ADGATE: Yes,
16 Majority Leader. As we mentioned as part of our
17 Annual Investment Projects Report, we do report on a
18 variety of projects. The number that we cited in our
19 testimony was 449 for the previous Fiscal Year, and
20 so for details on any of those specific projects, we
21 could follow up with you.

22 CHAIRPERSON FARIÁS: Great. The data that
23 was captured, was there any additional outside of
24 what you listed here for any of those projects?

2 SENIOR VICE PRESIDENT ADGATE: In terms of
3 additional analysis, so one of the things and I'll
4 turn it back to Shahilah to talk about is with us
5 standing up the measurement and evaluation team to go
6 even deeper into what is currently reported is one of
7 the things that her team is focusing on now.

8 DIRECTOR STEPHENS: Just to shine a little
9 bit of light on our measurement evaluation efforts,
10 it's the goal of that particular work to be able to
11 provide neighborhood specific and disaggregated data
12 points so that we can speak more clearly to whom and
13 where these individuals may be getting jobs, where we
14 may be supporting entrepreneurship, including diverse
15 entrepreneurship, and also to be very specific with
16 those that contract with EDC around where and how
17 they should outreach to communities, and also in this
18 measurement and evaluation effort, we are also trying
19 to stand up the proper tracking mechanisms to be able
20 to effectively report back on the progress and the
21 execution of the community benefit agreements.

22 CHAIRPERSON FARIÁS: Okay, great. How does
23 EDC currently attract potential developers, either
24 commercial or residential, to areas that are
25 distressed, if at all?

2 SENIOR VICE PRESIDENT ADGATE: I'm sorry,
3 Council Member. Are you talking about development as
4 a whole or EDC specific projects?

5 CHAIRPERSON FARIAS: For like our City-
6 subsidized projects.

7 SENIOR VICE PRESIDENT ADGATE: For EDC-
8 specific projects, keeping in mind that there may be
9 City subsidy from HPD or other partners, we have both
10 the work that we do as part of our team but also the
11 coordinated efforts with City agencies so that's the
12 tracking that we have included in the Annual
13 Investment Projects Report. It's how we share
14 information with community boards and elected
15 officials as we go through those various processes.
16 Just keeping in mind that depending on the type of
17 EDC project could require different public approvals
18 processes, right, so some projects obviously go
19 through ULURP. Last year, we worked with Council
20 Member Bottcher on a project that went through
21 13012G, which is a separate public approvals process
22 and has its own sort of tracking and requirements in
23 terms of public input as well, but I will hand it
24 over to PJ in case there's any other thoughts on
25 that.

2 EXECUTIVE VICE PRESIDENT BERG: I'll add
3 my Department manages transactions where the City is,
4 for instance, putting a publicly owned site up for a
5 development opportunity, and we engage with the local
6 community board and with local developers and have a
7 robust marketing effort to make sure that the
8 opportunities are really well-publicized.

9 CHAIRPERSON FARIÁS: Okay. When new large
10 scale commercial development occurs within the city,
11 how does EDC calculate the economic impact to the
12 surrounding area, and what metrics are used to do so?

13 DIRECTOR STEPHENS: I think we'll have
14 Mikkel start with that and then PJ can answer that.

15 SENIOR VICE PRESIDENT ADGATE: We have an
16 in-house Economic Research Program that will look at
17 a project that is sort of potential, look at the
18 opportunities that could be available with it based
19 on workforce opportunities, the commercial inputs
20 that could be included, the real estate
21 opportunities, and then they will do robust
22 calculations to try to look at what the impact will
23 be over, let's say, 30 years, which in the case of
24 Willets Point, when we put out a number that that
25 project would have X-billion-dollar impact over 30

2 years, that work is being done by our ERP team, and
3 so we do have information about how that methodology
4 is calculated. It's available on our website. We also
5 shared it back with the Committee after our budget
6 hearing.

7 CHAIRPERSON FARIÁS: Okay, great. I know
8 there's some difficulty and there's direct opposition
9 to Introduction 164, but do you folks have the
10 computational capacity to produce the data requested
11 in the bill?

12 SENIOR VICE PRESIDENT ADGATE: Based on
13 our view of it, I think we would need outside
14 support, which is why, as we think about the cost
15 including additional consultant fees, to my point
16 earlier, calculating the cost of those could be
17 challenging depending on the size and scale of the
18 project. I think we're very confident in the in-house
19 team that we have now in addition to what's being
20 added on to as part of Shehilah's work and so, as we
21 think about discussions with the Council, we'd like
22 to think about what we are doing now but also what
23 we're building upon because I do believe that a lot
24 of what is being asked for is available in these
25 different reports, and so we want to make sure that

2 we're not being redundant, but we're also providing
3 the level of transparency that we agree with the
4 Council is necessary.

5 CHAIRPERSON FARIÁS: Sure. As we continue
6 talking about the bills, I do want to state, I only
7 ask that because many times it seems as if these
8 things are existing in separate worlds, and this is
9 part of the reason why I think even with the public
10 trying to get information from agencies, we all know
11 we're producing it with our terminology where we know
12 where to find it, but generally when we want to have
13 analysis of what's happening in our communities or
14 even legislatively where we should be moving to move
15 the City forward, me having to come get a physical
16 report and then ask you to print out all the
17 documents, I remember when I first became Chair, I
18 was like, can I get all of this stuff so I can
19 familiarize myself, and then I was handed three
20 mountains of documents and I was like, whoa, a lot to
21 read. Sometimes our goal is to make it concise and
22 clear for the public and for us to analyze because
23 I'm definitely not going to be the economic expert or
24 the land use and real estate expert or the housing
25 expert as the folks that you have in-house, so I'd

2 love to keep talking about what that means and how
3 maybe pulling from all these places annually,
4 biannually, something to produce a document with ease
5 is possible.

6 SENIOR VICE PRESIDENT ADGATE: Majority
7 Leader, if I could just respond back to that. I think
8 that's very much the spirit and intent behind the
9 Impact Report that we started developing not long
10 after your tenure because I think when we started in
11 2022, it was very clear to us that this 900-page
12 document was not user-friendly. It doesn't help
13 communities understand how EDC could be additive to
14 their neighborhoods. This one is much more public-
15 friendly. If you look at it online, there's videos,
16 there's audio. It's much more engaging. That said,
17 again, the level of detail that 164 in particular is
18 asking for would sort of turn this into this, and
19 we're really trying to ensure that we're being
20 consistent across all of our reporting.

21 CHAIRPERSON FARIÁS: Okay. Thank you for
22 that. How does EDC plan to incorporate the Community
23 Impact Reports into its decision-making process for
24 approving subsidized projects?

2 DIRECTOR STEPHENS: Thank you for that
3 question. I think the biggest piece here is that we
4 want to have the opportunity to use the Community
5 Impact Reports and the measurement and evaluation
6 efforts to help inform and design our future projects
7 and also to assess the efficacy and the actual
8 community-based impact. Our goal here through
9 measurement and evaluation is to have a number of
10 tools through the life of a project that can tell us
11 if we're going in the right direction, if we need to
12 increase efforts, increase support around certain
13 aspects, workforce, entrepreneurship, or just
14 community placemaking. We plan to use that
15 information coupling with the information that comes
16 out of our economic research team to help design and
17 improve our programming to make sure that we're
18 reaching and meeting the needs of the community and
19 also keeping our promises.

20 CHAIRPERSON FARIÁS: Okay. I'd like to
21 acknowledge we've been joined by Council Member
22 Salamanca.

23 I'll jump into questions around
24 Introduction 165 with the linkage fee. In relation to
25 new commercial development projects, how does the

2 City ensure that jobs created by the projects are
3 afforded to local residents?

4 DIRECTOR STEPHENS: Yes. EDC has a number
5 of ways to track the jobs currently right now that
6 are associated with our projects primarily through
7 the HireNYC process so, as those contracts are
8 expected to meet the HireNYC requirements, we're able
9 to receive reports and data around the location of
10 the potential employee, how many people were hired,
11 if they actually used the Workforce One Center or any
12 of those mechanisms to promote those jobs to the
13 community.

14 CHAIRPERSON FARIÁS: Okay. Are we
15 dependent on the individual teams of the project to
16 do the local hiring, to either work with the data
17 collection of where those folks live, who they've
18 hired, then what information is expected from them to
19 give to us for us to track? Like if we know a project
20 is supposed to have 10 percent local hire, this is an
21 example I'm just using for the sake of it, how do we
22 ensure and at what timeline do we ensure before a
23 project begins that 10 percent is actually local
24 hire?

2 DIRECTOR STEPHENS: Currently through the
3 life of the project, they have to report annually on
4 the employees that they may have hired through the
5 HireNYC system. That information is based off of
6 total available jobs for that particular project at
7 any given time, if they've used the system that's in
8 place to actually hire, and then the location in
9 which that particular employee may have been hired
10 from, their salary bracket, and also they're required
11 to report if that person at the time of reporting is
12 still employed or if they have not been able to
13 retain that person for whatever reason. They may have
14 left, they may have been terminated, but they do have
15 to report if they were able to retain those
16 employees.

17 CHAIRPERSON FARIÁS: Are you folks also,
18 just in consistent communication, I'm hearing you're
19 getting this annually so their consistency is
20 somewhat happening because 12 months is a long time,
21 but let's say you look back at the annual report
22 given to you and it says seven people didn't go
23 through and they don't have reasonings, or three of
24 those seven maybe were contracted for six months.
25 Does that delineate out and mean that doesn't go to

2 the local hire number? Are we evaluating what they're
3 giving us and having conversations with those folks
4 to produce better numbers or to hire more local
5 people or to hire more women or etc.?

6 DIRECTOR STEPHENS: This is again why we
7 brought on the measurement and evaluation strategy. I
8 will say very directly that we engage with the
9 contractor and/or employer like I said on an annual
10 basis. If it's found that they cannot prove good
11 faith efforts, so positive and measurable attempts to
12 local hire with us, that is a conversation that we do
13 have but, if it's found that they have not shown good
14 faith efforts, we have the ability to pursue damages
15 for not meeting the contract obligations.

16 EXECUTIVE VICE PRESIDENT BERG: I'll just
17 chime in that you asked earlier if we're dependent on
18 the developer team, and it's not a dependence, it's
19 actually a binding legal contract that's part of
20 their overall transaction contract with EDC.

21 CHAIRPERSON FARIÁS: Okay. Excluding
22 community benefit agreements, what other mechanisms
23 are used to assure that impacted communities are
24 assisted throughout development?

2 DIRECTOR STEPHENS: Currently, again, in
3 the spirit of transparency and our commitment to
4 continue the repair and relationship building with
5 communities, we are really focused on being able to
6 track, as I mentioned before, more detailed
7 disaggregated metrics, and so we're interested now in
8 developing mechanisms to track, as I mentioned
9 before, the location, the gender, disaggregated by
10 race and ethnicity data associated with projects as
11 it relates to workforce development, diverse
12 entrepreneurship, and just overall economic mobility,
13 and so right now that's a point for us to continue to
14 grow and improve, and we think in support of some of
15 the bills today, we'll be able to do better with that
16 in the future.

17 CHAIRPERSON FARIÁS: Okay, great. How many
18 City construction projects are over 100,000 square
19 feet, both commercial and residential during Fiscal
20 Year 2023 that were completed?

21 EXECUTIVE VICE PRESIDENT BERG: I don't
22 have those figures on hand. Most of our projects are,
23 I would say if not all of our projects are, above
24 100,000 square feet. That would really capture most
25

2 of our portfolio, but we can get that information for
3 you.

4 CHAIRPERSON FARIÁS: I would appreciate
5 that. What process is used by EDC to conduct
6 residential impact studies during major development
7 projects?

8 EXECUTIVE VICE PRESIDENT BERG: I
9 apologize. Would you mind repeating the question?

10 CHAIRPERSON FARIÁS: Sure. What process is
11 used by EDC to conduct residential impact studies
12 during major development projects?

13 SENIOR VICE PRESIDENT ADGATE: Majority
14 Leader, I'm not familiar with a residential impact
15 study. I would say though that as part of our
16 projects, specifically the ones that have to go
17 through environmental review, we go through all of
18 those required steps to look at the environmental
19 community impacts of projects, and those obviously
20 have a public input process between scoping, public
21 hearings, public reviews of documents.

22 CHAIRPERSON FARIÁS: Okay, so it sounds
23 like nothing additional on top of our regular ULURP
24 review process that has an environmental study, all
25 of that stuff.

2 SENIOR VICE PRESIDENT ADGATE: Not that I
3 can think of.

4 CHAIRPERSON FARIÁS: Are you folks aware
5 of any linkage fee requirements in other
6 jurisdictions that relate to those that I
7 specifically have in 165?

8 EXECUTIVE VICE PRESIDENT BERG: We have
9 surveyed other places that have imposed impact fees
10 or linkage fees. You've done research as well, and I
11 think you know that there's not any one particular
12 flavor of these. They have differences in the various
13 jurisdictions. Pardon me for one second while I just
14 find my notes. What we found is that other cities
15 with linkage fees are doing it because they're pretty
16 desperate for streams of revenue to support, to stand
17 up like brand-new affordable housing or brand-new
18 workforce development programs in places that never
19 had them, and New York City, by contrast, has robust
20 programs in place, just to use housing as an example,
21 we and you have passed the Mandatory Inclusionary
22 Housing Policy, which requires that projects support
23 and cross-subsidize on-site affordable housing so
24 that's where we think that New York City is a

2 different place from other jurisdictions that have
3 studied that.

4 CHAIRPERSON FARIÁS: Sure. I mean, I don't
5 know if MIH is our best example upon reflection over
6 the years, but it is what we have so we work within
7 it. Are there any existing City job apprenticeship
8 programs that target public housing residents that
9 you folks know of or work with?

10 DIRECTOR STEPHENS: Existing job
11 placement? I couldn't hear.

12 CHAIRPERSON FARIÁS: Existing
13 apprenticeship programs for public housing residents.

14 DIRECTOR STEPHENS: I would defer to NYCHA
15 on that specifically. I can't answer that particular
16 question.

17 CHAIRPERSON FARIÁS: Has EDC conducted any
18 preliminary analysis on what a reasonable linkage fee
19 might be that would generate meaningful revenue
20 without overly burdening the developers?

21 EXECUTIVE VICE PRESIDENT BERG: Yeah,
22 thanks for the question. When we looked at it, we
23 just fundamentally come back to the finding that New
24 York City is in a housing crisis and is in a jobs
25 recovery, and we're extremely concerned about the

2 impact of additional fees in our already high-cost
3 construction environment. We have seen, and I think
4 the news reports kind of speak for themselves, a
5 dramatic drop-off in construction starts for
6 residential projects and for commercial projects in
7 light of the current market and interest rate
8 climates, and that leads us to conclude that fees on
9 new development are not a kind of productive way to
10 look for new streams of funding. Basically, what
11 we're saying is that there isn't that much new
12 development to chase right now, and so charging
13 additional fees on new development wouldn't generate
14 meaningful results and would just further burden
15 projects that are trying to pencil out and trying to
16 start. We're also really focused, and Shehila's team
17 is helping my team, support smaller emerging
18 developers, many of whom are minority developers. The
19 implementation of a linkage fee, no matter what the
20 size, would impact developers who are trying to get
21 started and would push opportunities toward the more
22 deep-pocketed developers, the billionaires who can
23 kind of afford to throw money at projects.

24 CHAIRPERSON FARIAS: Okay. While I respect
25 that response, I just have difficulty, I somewhat

2 detest the reaction to this being a burden instead of
3 this being a commitment to where people are trying to
4 invest. This to me is an investment in community,
5 into community members, into expanding the working
6 class, really into building our future in New York
7 City. I'm talking to you, not directing it at you.
8 I'm really trying here to understand. I do want
9 people to have the ability to continue developing
10 throughout New York City, but I also need communities
11 to be heard and be seen and be at the table and
12 receive direct investment. For me, when creating this
13 bill, I saw this as an opportunity where instead of a
14 development team coming into a community and having
15 to create a CBA, having to be in front of a community
16 creating a CBA and not knowing how much it would
17 actually cost them, they would know by square footage
18 what their investment was going to be in that local
19 community and they could work within that budget with
20 the community to create the job pipeline, to create
21 the local community hiring fairs, etc. It's just
22 really difficult for me to understand that there
23 isn't even an interest in entertaining, while we are
24 in the midst of a housing crisis and an employment
25 crisis, to say how do we ensure our communities still

2 get the direct investment including the investment in
3 development and the investments in housing. I can
4 think of a project in my own backyard, the Metro
5 North, where we are going to see massive development
6 across the East Bronx, both North and South, and we
7 have huge issues surrounding parking, surrounding
8 safety, lighting, infrastructure, all of those that,
9 while this is a linkage fee and not an impact fee,
10 which impact fees would include all of those things,
11 and I'm happy to expand it if that's what you think
12 is better, but really we have four stations being
13 created, multiple housing projects being created, and
14 I can't tell you if any one of us can assure you how
15 people will get a job on those sites yet, and so for
16 me, looking at this legislation, looking at it even
17 at a larger scale for the State legislature, this
18 feels like a reasonable solution that still actually
19 just helps commit developers to showcase here's my
20 monetary commitment that we can work within. It isn't
21 asking more or less of them so I look forward to our
22 continued conversations.

23 I have additional questions on my Intros
24 810 and 844, but I will pause my time for now and
25 pass it over to my Colleagues.

2 Council Member Salamanca is the only one
3 signed up for questions, and then Council Member
4 Avilés. Council Member Salamanca first because
5 Council Member Avilés has lots of questions.

6 COUNCIL MEMBER SALAMANCA: Thank you,
7 Majority Leader Farías, and I'm here with my son,
8 ____.

9 First, thank you for testifying. I just
10 want to ask maybe one or two questions regarding
11 Hunts Point. We all know that EDC is the biggest
12 landlord in the Hunts Point Peninsula, and the Hunts
13 Point Forward Plan was actually created because of a
14 coalition called the Longwood and Hunts Point
15 Coalition. The Hunts Point and Longwood Coalition was
16 created because of the amount of multi-agency
17 projects that we have in the Hunts Point Peninsula,
18 whether it's the Department of Transportation
19 mediating some land, the State with the, I guess the
20 Bruckner-Sheridan Expressway project, and other
21 projects that EDC may actually be funding, and so the
22 Hunts Point and Longwood Coalition was created
23 because we felt that City agencies and State agencies
24 were just not speaking to one another, and they were
25 meeting for a few years and then we realized that we

2 needed the City's help, and we needed maybe someone,
3 an outside consultant to come and mold their vision
4 and put it on paper, and the predecessor before this
5 President, James Patchett, there was a 200,000-dollar
6 grant that was allocated to assist with this
7 coalition so it's my understanding that that grant,
8 it's at its end, and there's an ask because the work
9 continues. Now Metro-North is coming soon, the
10 Sheridan-Bruckner Expressway, it's still under
11 construction, and there's still many projects in
12 Hunts Point. Just wondering does EDC plan on renewing
13 that 200,000-dollar grant to work with the Coalition
14 that actually was the brains behind the Hunts Point
15 Forward Plan?

16 SENIOR VICE PRESIDENT ADGATE: Thank you
17 for the question, Council Member. Good to see you. At
18 this point, I can't answer specifically about that
19 particular pot of funding, but we can certainly come
20 back to you on that, but I do think you raise a very
21 sort of important point to the Majority Leader's
22 earlier questions about how EDC really does try to
23 come alongside communities in the development of not
24 just our plans but also our project paths moving
25 forward. Hunts Point Forward is a really important

2 example of efforts developed in collaboration with
3 the community, and so we obviously want to continue
4 that work, but let me come back to you specifically
5 on the pot of funding.

6 COUNCIL MEMBER SALAMANCA: All right, and
7 then I'm reading here in terms of, I really, if you
8 can sign me on to these bills, I really enjoy, I
9 think that they are common sense bills that we need.
10 My concern with the, when the Hunts Point Forward
11 Plan was announced, we were extremely happy with the
12 announcement, and there was funding that was
13 allocated. There was 140 million dollars that was
14 allocated. 100 million went to the Hunts Point
15 markets to help. They are trying to stack up the
16 funding that they need so they can build a new
17 facility, but there was another 40 million dollars
18 that was allocated, and the community was told that
19 the community was going to decide how that funding
20 was going to be distributed within the needs of the
21 community. Lo and behold, two months later, we find
22 out that that 40 million dollars has already been
23 split up between the Department of Parks Department
24 and the Department of Transportation. There was no
25 real community input. Can you talk a little bit about

2 that, or are you aware of the way, or can you tell me
3 who made the decision to allocate that 40 million
4 dollars without actual community input?

5 SENIOR VICE PRESIDENT ADGATE:

6 Unfortunately, I'm not prepared to talk about the
7 specifics of that right now but, again, happy to
8 follow up with you with the very specific details.

9 COUNCIL MEMBER SALAMANCA: All right. I
10 look forward to your followups. Thank you, Majority
11 Leader.

12 CHAIRPERSON FARIÁS: Thank you, Council
13 Member Salamanca. I'm happy to make sure we do a
14 followup together to get through some of that, and
15 happy to sign you on to my bills, because I'm glad
16 you like them. I'm a little nervous with the Land Use
17 Chair looking at some of these things sometimes, but
18 glad you like it.

19 I'd now turn it over to Council Member
20 Avilés.

21 COUNCIL MEMBER AVILÉS: Thank you. Thank
22 you, Chair. Council Member Salamanca, 40 million.

23 COUNCIL MEMBER SALAMANCA: 140.

24 COUNCIL MEMBER AVILÉS: 140, but 40 was
25 for the community. That's a big number they promised.

2 We got no such reflections of high numbers that way
3 in our community, so we'll get into this now.

4 In terms of, I guess, as it relates to
5 Intro. 860, while EDC may encourage private entities
6 to hire through the City-run career centers, such as
7 Workforce One or the NYC Hire, or is it HireNYC, I
8 forget. Is this an enforceable mechanism at all, or
9 is this just you should use it?

10 DIRECTOR STEPHENS: Thank you for your
11 question. HireNYC is a contractual obligation that
12 individuals need to, at minimum, meet the reporting
13 expectation, and then if it's found that they have
14 not been successful in hiring, based on the metrics
15 and parameters that are outlined in their contract,
16 EDC has the right to pursue litigated damages if they
17 find that they haven't made a significant good faith
18 effort.

19 COUNCIL MEMBER AVILÉS: How are the
20 metrics decided on those? For instance, a company is
21 relocating into an EDC project. It's bringing
22 employees. Is it asking for the company to meet a
23 certain level of local hires, or what are the
24 metrics, generally, that are being pursued?

2 DIRECTOR STEPHENS: The HireNYC
3 contractual obligation kicks in if an individual is
4 hiring for 10 or more jobs. There is no obligation,
5 for example, if they're bringing in their own
6 employees, to then commit to additional local New
7 York City employees, but it is based off of the
8 volume of individuals that they plan to hire and or
9 have agreed to hire, and they're required to post
10 those jobs in the proper locations and then report
11 out on those efforts.

12 COUNCIL MEMBER AVILÉS: Got it. That's
13 helpful. Essentially, it's kind of an honor system.
14 If they are going to hire, then they should be using
15 this. If they get caught, what would be the
16 enforcement around it?

17 DIRECTOR STEPHENS: Based off of the size
18 or the amount of individuals they're supposed to
19 hire, there is basically a calculation that assesses
20 what we would consider litigated damages for not
21 meeting the contractual obligation.

22 COUNCIL MEMBER AVILÉS: Have you ever
23 pursued such action?

24

25

2 DIRECTOR STEPHENS: I recently took over
3 this program, and I'd have to get back to you on the
4 actual answer to that.

5 COUNCIL MEMBER AVILÉS: I would like that
6 very much. Thank you.

7 Just a recent example, again, in this
8 offshore wind port that we obviously are excited
9 about. I can't say that enough. Nevertheless, in the
10 press release, we see both 1,000 jobs created and
11 then we see thousands of jobs created. This is the
12 kind of language that drives us absolutely insane.
13 How does EDC arrive at these estimates and how is EDC
14 tracking how many jobs are actually being created
15 through local hire? I've asked this question to
16 Equinor, and local for Equinor meant New York City
17 fully, including Westchester and Long Island. That is
18 not local for me, and I had to qualify that. If you
19 could respond to this question of all these job
20 estimates that get tossed around very cavalierly.

21 SENIOR VICE PRESIDENT ADGATE: Thank you
22 for the question, Council Member. I will start on the
23 estimates, and then I'll hand it over to Shehila to
24 talk about tracking. Without having that particular
25 press release memorized, I think the distinction

2 between the 1,000 and the thousands, if I recall, is
3 that the 1,000 is the calculated construction number
4 that is derived from Equinor and the partners on how
5 many staff is needed to actually do this construction
6 process. Then for every project that gets
7 constructed, there's obviously ongoing job creation
8 that will be needed to maintain, whether it's
9 offshore wind or it's the soccer stadium or Willets
10 Point, there's the distinction between construction
11 and ongoing. I believe that the second thousands was
12 related to the ongoing for the growth of the offshore
13 wind industry in New York City, but we can follow up
14 with you on more specifics about that. Then I do
15 think as we use the phrase local hiring, it is
16 important to mention community hiring and the state
17 legislation that was passed and the Office of
18 Community Hiring that's been stood up by the Mayor's
19 Office that Shehila's team works closely with to help
20 provide some clarity on that process.

21 DIRECTOR STEPHENS: Through this proposed
22 legislation that's currently going through the
23 rulemaking process, community hiring will give us
24 more legal capacity to focus in on what you're using
25 the term local hiring to be. To answer your question

2 more specifically, that is the reason why we've set
3 up this measurement and evaluation strategy. We are
4 currently in the legal review process trying to
5 figure out how we can be more specific about where
6 and how individuals are hired on our projects. More
7 importantly, at minimum, creating the proper
8 requirements for substantial outreach and engagement,
9 so not just a quick job fair to say that we did it,
10 but actual intentional engagement with the community
11 and the proper CBOs and community boards to ensure
12 that community members are benefiting from these
13 projects.

14 COUNCIL MEMBER AVILÉS: Great. Thank you.
15 The proposed rulemaking that is happening now, is
16 there a timeline around it?

17 DIRECTOR STEPHENS: I can't speak to that
18 particular timeline. I think it would be a good
19 opportunity for us to help support connecting with
20 Talent and Workforce's Community Hiring Department.

21 COUNCIL MEMBER AVILÉS: Got it. That's
22 through the Mayor's Office?

23 DIRECTOR STEPHENS: Correct. The Mayor's
24 Office of Talent and Workforce.

2 COUNCIL MEMBER AVILÉS: Got it. Thank you.
3 We look forward to that. It almost feels like
4 somebody is listening, maybe. Thank you.

5 In terms of these larger projects, I
6 think getting at an earlier comment, how does the EDC
7 validate the job claims that are being made by
8 particular, in the instance, say, of Equinor, that
9 1,000 construction jobs are going to be offered?

10 DIRECTOR STEPHENS: I think through a
11 series of research efforts through our Economic
12 Research Team, they're able to use particular
13 available public data and potential size of the
14 project to estimate those particular job numbers.

15 COUNCIL MEMBER AVILÉS: So you do, in
16 fact, validate what developers are saying?

17 DIRECTOR STEPHENS: Yes.

18 COUNCIL MEMBER AVILÉS: Okay. I think
19 you've answered some of my questions already in terms
20 of the work that's being done through the rulemaking
21 and your particular role, which we're very excited
22 about.

23 In terms of what kind of guidelines does
24 EDC follow when entering into community benefits

2 agreements, or does it just kind of accept the offer
3 that the private entity offers?

4 DIRECTOR STEPHENS: I wouldn't say that
5 there are formal guidelines to enter into a community
6 benefit agreement. I will talk about the really
7 intensive community engagement process, so we engage
8 with Council Members, community boards, engaging
9 directly with community individuals to hear their
10 perspective on how they would like these CBAs to be
11 developed and then, through a series of negotiation
12 processes, finalize that CBA.

13 COUNCIL MEMBER AVILÉS: Yeah. I think what
14 you describe is certainly the gold standard but
15 certainly not always the practice, and I represent a
16 community that has not had that consistent kind of
17 practice applied to projects. I guess I think it
18 would behoove the EDC to make sure there is a
19 consistent practice, not depending on leadership, but
20 like an embedded policy of practice that any
21 agreement that is made should include, must include
22 the community because Red Hook is a great example. We
23 were not involved. The community was very surprised
24 to know that its benefit actually went to Cobble
25 Hill, not to Red Hook, so I guess somehow for EDC to

2 codify that community means the actual community, not
3 someone in the Mayor's Office deciding what they want
4 to do and call it community.

5 In terms of as it relates to linkage
6 fees, we understand obviously all these projects are
7 different and they are coming from different
8 Administrations. Many we are inheriting. Many we are
9 engaged in creating. What we have seen and part of
10 the onus of this legislation is that it's like live
11 and die by the project, live and die by the moment,
12 not centered around a set of principles and values,
13 like how are we leaving our communities thereafter or
14 how is the actual surrounding community within the
15 footprint of these projects truly going to be
16 impacted and held over the long term when we're all
17 gone doing our next jobs so what we've seen is that
18 in some instances I think I have here Hudson River
19 Park Trust. My understanding is that Hudson River
20 Park Trust receives 20 percent of a revenue share
21 agreement with EDC. Now this is probably a project-
22 by-project situation because certainly I've never
23 seen a revenue share agreement in District 38,
24 although we have seen the prior Council Members set
25 up funds in partnership with EDC when lease

2 agreements needed to be signed so rather than the
3 practice of just I twist your arm because I need
4 something, there should be a principle of engaging
5 and investing truly in the community as a matter
6 standard of practice. I guess the last thing to say
7 here is that this notion that it would potentially
8 harm, a linkage fee would harm a smaller developer
9 and we're going in that direction, a good number of
10 these projects are not smaller developers. They're
11 larger developers who should pay the fee for the
12 privilege of making profit in our community because
13 that is what the projects will yield is profit for
14 them and for the EDC for that matter so, as far as
15 I'm concerned, it should be a matter of standard of
16 practice that a clear investment be made, whether
17 it's a trust or what that mechanism looks like, but
18 it is the bare minimum that should be done with every
19 project that touches a community, especially if it is
20 a community that needs some more investment and
21 opportunity which has been overlooked and negatively
22 impacted by extractive kind of economic policy so I'm
23 going to get off of that because this is the Majority
24 Leader's hearing, but last question is in terms of I
25 guess enforcement commitments around CBAs, how does

2 EDC envision how it would enforce CBAs or how it
3 currently enforces CBAs?

4 DIRECTOR STEPHENS: The enforcement of
5 meeting the agreement in the CBAs is currently under
6 development. I think the most important thing is to
7 just ensure that we have teams and project teams
8 within EDC with the knowledge, as you mentioned,
9 we're often inheriting situations as there's changes
10 in staff and just positions and roles and so just
11 creating those internal mechanisms to make sure that
12 that type of information isn't lost is our first step
13 and then we're working with developing the right
14 structure and actual formal processes to make sure
15 that we are creating the proper systems to follow up
16 and make sure that we're executing on our agreements.

17 SENIOR VICE PRESIDENT ADGATE: I'll just
18 add on to that, Council Member, as one of the things
19 that we would want to talk about with you and the
20 Majority Leader for both 860 and 861 is sort of a
21 common understanding of the terminology that we're
22 using because obviously in some cases a community
23 benefit agreement has a very different definition
24 than others so, like the example that you talked
25 about with say a specific cruise ship that's docking

2 at one of our cruise terminals that agrees to some
3 type of community fund is very different than a
4 points of agreement that's negotiated as part of a
5 rezoning that's very different than all of these
6 different elements. I think one of the things that we
7 have found especially in the few years that Shehila
8 and I have been on the EDC team is that given the
9 variety and complexity of projects that we're talking
10 about, obviously Council Member Salamanca, like you,
11 has a lot of EDC assets in his District and our
12 teneting process is very different than the work that
13 PJ's team does with real estate transactions which is
14 very different than when we're doing capital projects
15 on behalf of Parks and DOT where we might not be able
16 to talk about a specific community benefit agreement
17 with a public realm investment but we are doing
18 workforce programming with Council Member Nurse for
19 capital work in that District so I would just say and
20 one of the things as you keep in mind about our
21 concern with Intro. 164 in particular is the idea of
22 cutting a very wide swath for a variety of complex
23 projects and, as we think about 860 and 861, I think
24 a lot of that negotiation will be like making sure we

2 have clarity on the definitions that we're using when
3 we talk about impact and benefit.

4 COUNCIL MEMBER AVILÉS: Yeah, obviously I
5 couldn't agree with you more. We need clarity because
6 I think the agency itself has been in community using
7 interchangeable terms and at the end of the day what
8 we see is extraction and no benefit we can hold and
9 that is outside of maybe, we can see this one or two
10 programs, we can't see the hires because we're never
11 given numbers. We can't see capital investment from
12 Parks because there has been none. We cannot point to
13 one project in Sunset Park or in Red Hook in the
14 park, with Parks, with DOT or anything of that matter
15 so we have a lot of work to do here to be clear with
16 our residents and to show what the investments
17 actually are, and I want to say that with the
18 understanding that I know we are trying to repair
19 some significant harm that has been done over a very
20 long period of time with this community and I know
21 that's a slow process and I want to acknowledge that
22 there is movement. I mean, your position alone
23 demonstrates that we are taking this bit more
24 seriously, but the last thing I'll say is these
25 reports that you brought, yes, they are online. They

2 are relatively incomprehensible to access. Now, if a
3 resident can't come and do a searchable search these
4 documents, right, it's like the NYCHA problem. They
5 put all the data on the world but they're
6 incomprehensible. Nobody can search them so for that
7 matter they don't exist so I think if EDC would
8 really think about investing in a searchable
9 database, right, with all these incredible, you have
10 the data. It's about making it accessible to
11 communities and even for us. It's going to take me, I
12 got through volume one and I was exhausted. I'll get
13 through the other volumes, but there's a better way
14 to do this and the organization should be striving to
15 do that because without it, it is not accessible. It
16 doesn't exist so thank you, Chair, for your gracious
17 allowing me lots of time.

18 CHAIRPERSON FARIÁS: Council Member, you
19 always ride these hearings out with me so you get to
20 have some more time.

21 Just quickly on Intros 810 and 844, just
22 a couple questions just for clarity's sake. You've
23 provided me a lot of information in your testimony.
24 As it relates to Intro. number 844, does EDC believe
25 that offering micro-grants to specific qualifying

2 businesses is feasible, and I know sometimes you
3 folks end up being a fiscal conduit in ways for
4 different providers but do you folks see that as
5 something that's feasible for the EDC?

6 DIRECTOR STEPHENS: So in this I think we
7 really would like to support and defer to NYCHA on
8 the feasibility of doing this particular work. EDC is
9 committed to entrepreneurship and development of
10 local entrepreneurs including NYCHA residents, but we
11 just believe that this squarely sits in the purview
12 of NYCHA.

13 CHAIRPERSON FARIÁS: Okay, and do you
14 folks have any relationship or assistance for NYCHA's
15 public housing development projects, their commercial
16 areas? Do you work with any of them on that?

17 EXECUTIVE VICE PRESIDENT BERG: I'm
18 afraid, no, we don't interact with them.

19 CHAIRPERSON FARIÁS: Okay.

20 SENIOR VICE PRESIDENT ADGATE: Yeah, I
21 would just add, Majority Leader, that for NYCHA
22 development whether it's, I'm not even familiar with
23 commercial that NYCHA has but they have a real estate
24 team, they have a development team and so, since EDC

2 doesn't have any jurisdictional boundary over NYCHA
3 property, that too would be squarely with them.

4 SENIOR VICE PRESIDENT ADGATE: Okay. I'll
5 reserve the rest of the questions for Council Member
6 Riley and I to discuss on the bills. I will say while
7 NYCHA does have all of those teams, we are also in a
8 continuous mad dash effort to privatize NYCHA and so
9 there needs to be a general discussion around how
10 does the City assist NYCHA without allowing the
11 expansion of privatization and so I know you folks
12 are like this is NYCHA's jurisdiction and their gig.
13 They have proven at times to continue to operate at a
14 deficit and are promoting an only way people get to
15 fix their apartments is to privatize their apartments
16 and that's not necessarily where we want to put more
17 funds into their hands at least in my personal
18 opinion, but I appreciate that.

19 With no other questions, this panel is
20 adjourned and you folks are good to go. Thank you so
21 much for coming today.

22 I will now move over to public comment
23 period, and I'll open up the hearing for public
24 testimony.

2 I remind members of the public that this
3 is a formal government proceeding and that decorum
4 shall be observed at all times. As such, members of
5 the public shall remain silent at all times.

6 The witness table is reserved for people
7 who wish to testify. No video recording or
8 photography is allowed at the witness table. Further,
9 members of the public may not present audio or video
10 recordings as testimony but may submit transcripts of
11 such recordings to the Sergeant-at-Arms for inclusion
12 in the hearing record.

13 If you wish to speak at today's hearing,
14 please fill out an appearance card with the Sergeant-
15 at-Arms and wait to be recognized. When recognized,
16 each member of the public will have two minutes to
17 speak on today's hearing topics, which again are
18 Introductions 164, 165, 810 and Introductions 860 and
19 861 and Resolution number 77.

20 If you have written testimony or any
21 additional written testimony you wish to submit for
22 the record, please provide a copy of that testimony
23 to the Sergeant-at-Arms. You may also email written
24 testimony to testimony@council.nyc.gov within 72
25

2 hours of this hearing. Audio and visual recordings
3 will not be accepted.

4 I will now call the first panel up.
5 That's Evelyn Ortiz, Larry Rothchild, Chris Luggiero,
6 and Gregory Morris.

7 And, because this is a female majority,
8 Evelyn, you go first, unless you guys have a plan.

9 EVELYN ORTIZ: Bueno. Buenas tardes. Good
10 afternoon. My name is Evelyn Ortiz, and I am the Co-
11 Chief Executive Officer of Opportunities for a Better
12 Tomorrow, a longstanding member of the New York City
13 Employment and Training Coalition. Thank you,
14 Majority Leader Fariás, and the Members of the
15 Council for the opportunity to speak to you today. So
16 founded in 1983, OBT is dedicated to breaking the
17 cycle of poverty and inequity through education, job
18 training, and employment. Annually, OBT assists over
19 1,000 individuals, more than 90 percent of whom are
20 people of color who are unemployed and underemployed
21 and lack the basic numeracy and literacy skills
22 needed to secure family-sustaining wages. We do
23 appreciate the Administration's efforts thus far to
24 boost the economy post-pandemic, create jobs, and
25 address inequitable practices. The appointment of

2 Maria Torres-Springer as the Deputy Mayor for
3 Housing, Economic Development, and Workforce does
4 mark a historic step towards systemic improvement.
5 However, despite these advances, significant gaps
6 remain that must be addressed as many of our
7 communities continue to face substantial challenges.
8 For instance, Brooklyn's overall unemployment rate
9 stands at an 11.17 percent higher than the overall
10 city unemployment rate and, in communities like
11 Brownsville, these figures are even more alarming,
12 with an unemployment rate as high as 28.8 percent.
13 Furthermore, the Bureau of Labor Statistics forecasts
14 an increased demand for highly educated workers by
15 2026. Many of our residents lack the essential skills
16 needed for these advanced roles, limiting their
17 ability to participate in and benefit from growing
18 industries, and I just want to be clear, it takes OBT
19 about six months to a year to train an individual in
20 some of these advanced sectors and, if the person
21 does not have English language literacy, it can take
22 even more. It can take almost two years to have
23 someone advance from a basic level to an intermediate
24 level. So continuous, uninterrupted investments are
25 necessary to address these challenges, and they're

2 not enough on their own. Overall, I think what's
3 really clear, and based on what was shared today, is
4 that there is a demand for these jobs within the
5 community. There is a lack of understanding, based on
6 what you were all sharing, around where these jobs
7 are, what types of jobs are available, not just for
8 our higher skilled individuals, but those that are
9 seeking to be upskilled. There is a need for funding,
10 but a real need for real collaborative efforts on the
11 ground. We need to understand the data, but we also
12 need to be brought together. We're seeing that these
13 efforts are happening across the state, with the
14 Micron investments, but there's so much more that we
15 can do, and we can leverage together as one system.
16 Thank you.

17 CHAIRPERSON FARIÁS: Just to make sure,
18 your microphone has to be on. This room is a little
19 weird with it but, yeah, thank you.

20 LARRY ROTHCHILD: I'm Larry Rothchild. I'm
21 the Senior Managing Director of Workforce Development
22 at St. Nicks Alliance. I'd like to thank everyone for
23 your efforts. St. Nicks Alliance Workforce
24 Development Center has been providing skills training
25 and employment services for over 25 years. We serve

2 1,700 residents of North and Central Brooklyn every
3 year. We are an active member of New York City
4 Employment and Training Coalition, and we train in
5 high demand sectors, including the green trades,
6 healthcare, financial services, and technology. We
7 serve both adults and young adults, and we ensure
8 that our participants have a lot of the skills they
9 need to be successful, job readiness, digital
10 literacy, transformational coaching, paid work
11 experience, matching with industry mentors, post-
12 placement job retention support, and alumni meetups.
13 All these services help them to be successful. We see
14 both jobseekers and employer partners as our
15 customers, and we make sure that we're meeting the
16 needs of employers. St. Nicks seeks funding to fully
17 support the community demand for these sector-focused
18 trainings. Additional funding would help. Funding
19 does not always support the comprehensive services
20 our participants need and, for example, paid work
21 experience is not always provided, and it's a
22 critical component. With additional funding, St.
23 Nicks Alliance would run additional cohorts to better
24 meet employer and participant demand and expand
25 sector training for both adults and young adults, and

2 also critical is longer funding cycles and
3 elimination of funding gaps would allow us to
4 maintain regular operations, meet demand, and
5 maintain strong and experienced staff. For example,
6 with our EPA funding, we've been able to run three-
7 year cycles without a gap since 2001. We currently
8 train 650 annually. We run weekly info sessions, but
9 our sector waitlist and demand for trainings is
10 growing. St. Nicks is a community-based organization,
11 and our workforce development activities have stemmed
12 from our work in the East Williamsburg industrial
13 community, where we started with entry-level worker
14 training for our environmental remediation
15 technician, truck drivers, bookkeepers, and office
16 staff. We've expanded that effort, and now we've
17 partnered with Two Trees on the Domino Sugar project
18 redevelopment, where they've hired 150 people and
19 worked with us on all of our green trades. We've
20 expanded this model for an employer-paid model. We're
21 doing this on the Broadway Triangle redevelopment
22 project with Mega. We're doing this on the Greenpoint
23 Hospital redevelopment campus with Hudson.

24 CHAIRPERSON FARIÁS: You have to wrap.

2 LARRY ROTHCHILD: Okay. With Hudson and
3 Broadway Builders, and we've expanded that with
4 employer partners in the community. Thank you.

5 CHRIS LUGGIERO: Hi there. Thanks so much
6 for having me today. My name is Chris Luggiero. I'm
7 the Vice President of Communications here at the Doe
8 Fund, and we are proud to be a resource and a partner
9 in expanding economic opportunity to marginalized New
10 Yorkers, 90 percent of whom are individuals of color
11 and all of whom are experiencing homelessness. We are
12 so grateful for the support that we have received
13 from the City Council to accomplish just that. Y'all
14 may be familiar with some of our programming, Ready,
15 Willing, Enable. It's connected nearly 14,000 people
16 experiencing homelessness to employment and to
17 housing. It provides transitional work experience,
18 workforce development, and supportive services to
19 help people stabilize and thrive. Actually, next
20 month, we're going to be beginning our first ever
21 Green Jobs training track in HVAC repair. I think
22 there's a recognition from everyone here that this
23 push toward green jobs is providing a stronger
24 pathway to living wage careers and high demand
25 fields. Of course, we're also a proud member of the

2 New York City Employment and Training Coalition. It's
3 the voice of more than 220 organizations that provide
4 job training to more than 500,000 New Yorkers each
5 year primarily in underserved communities. I'll let
6 Greg speak more on that. Really, to cut to the chase
7 here, Mayor Adams has set this goal in his State of
8 the City a few months back for 5 million new jobs by
9 2025. The Administration is going to rely on all of
10 us members of NYC EDC to make that happen, and
11 specifically on the organizations here, like the Doe
12 Fund, to ensure that economic opportunity reaches
13 those experiencing homelessness. That's why we're all
14 calling on the City Council to invest in equitable
15 access to quality jobs for marginalized New Yorkers
16 by increasing the funding for proven workforce
17 development programs. At Ready, Willing, and Able,
18 just participating in the program doubles the chance
19 of getting employment. Graduates are earning 25
20 percent more than minimum wage and are half as likely
21 to recidivate. I just want to share one quick story
22 of somebody I spoke to, a graduate of the program,
23 really quickly before I get booted here. I was
24 talking a couple days ago with this individual named
25 Gennaro Perez, and he came into our facility 10

2 months ago with nothing except for a commitment to
3 change his life. Now, 10 months later, he's got his
4 high school equivalency, he's got his American
5 Welding Society certification, he was hired as a
6 metal fabricator and a millwright, he became a member
7 of the Sheet Metal Welders Union Local 19, he's
8 reunited with his children, and he is one of 100
9 people that will be celebrating our graduation
10 ceremony next month and, if anyone in this room
11 doubts the importance and the efficacy of workforce
12 development, of what we do, come to that ceremony.
13 I'll give you the details, and you can talk to them
14 face-to-face and see the impact of this work on human
15 lives. Thank you for your time.

16 GREGORY MORRIS: Majority Leader, thank
17 you very much. Council Member Avilés, thank you.
18 There's been more conversation this week about
19 workforce development for vulnerable communities than
20 it has been in a long time, and that's a credit to
21 you. I just want to start by saying, as
22 representative of the New York City Employment
23 Training Coalition, as CEO, as noted, 220
24 organizations all focused on workforce development,
25 we see workforce development as a connection and as a

2 linkage to economic development. That's the pathway
3 to mobility, and that's the pathway to growth. It was
4 important for us to come today, and there are others
5 sitting who are in the next panel who are here to
6 talk about what they do, because what you've put
7 forward in terms of these bills is allowing them to
8 continue to execute on the priorities and, as much as
9 our friends at EDC bring to the table significant
10 resource and significant opportunity and will talk
11 the talk about workforce development, they are not
12 the experts. These are the experts. These are the
13 ones that are responsible in terms of being the
14 skilled practitioners, being the advocates, ensuring
15 that the local jobseekers, regardless of their
16 starting point, have access to opportunity. These are
17 the truth-tellers as well that will tell you whether
18 or not we're actually seeing results and, as you have
19 pointed out during this hearing, we're not seeing
20 those results. We're certainly not seeing that
21 accountability. I also just want to make one or two
22 other notes in relation to EDC's commentary about
23 cost. We're talking about tens of millions of
24 dollars. We're talking about significant projects.
25 The idea that we might then pause and say, but a

2 consultant is too expensive to do a report is
3 fascinating. That someone would actually hand you a
4 giant impact report and say, all the answers are here
5 is absurd, and you called that out, and I appreciate
6 that. I consider EDC to be a partner. I actually
7 think, ultimately, we want some of the same things,
8 but you have to make it accountable for us to be able
9 to do that work in true collaboration. People throw
10 around the word partner a lot. People sign MOUs that
11 talk about, I'm your partner, I'm your partner, I'm
12 your partner. Unless there's money on the table,
13 unless there's power on the table, unless there's
14 results on the table, there is no partnership. I
15 appreciate every single bill you've introduced, the
16 resolution that is critical and also calls into mind
17 what we have to do in Albany to make some results
18 happen, but this investment counts, and these are the
19 truth tellers that will tell you whether or not we're
20 getting it done for you and your constituents in New
21 York City. Once again, thank you.

22 CHAIRPERSON FARIÁS: I really appreciate
23 each of you coming today and providing your testimony
24 and the numbers and the stories that you are
25 uplifting and elevating every single day and making

2 realized actually happening for people in our
3 communities. I come from a place of working in
4 government and then switching over and working at a
5 labor non-profit where I was actually the person that
6 had to make these opportunities real for people or
7 not. This topic today, this package today for this
8 hearing, the bills that I've introduced are about re-
9 envisioning our long-term planning and job training
10 and development in our city. I appreciate you folks
11 coming.

12 Just a couple questions that I'm going to
13 ask folks today, and I heard this somewhat. In your
14 experience, what are the most significant gaps in
15 terms of funding for job training and employment
16 programs? Anyone can answer.

17 EVELYN ORTIZ: Supportive services. When
18 we think about the individuals that we're serving and
19 what is happening right now when it comes to mental
20 health and how it's really impacting specifically our
21 young adults that are out of school and out of work
22 and our adults as well who have been impacted by the
23 system in some way or another, we need more funding
24 to support supportive services by providing those
25 case management support in addition to funding for

2 food, for transportation. It's all lacking. It is
3 essential because there's only training funding
4 that's available, but how about the funding that is
5 going to be needed in order to get the person through
6 the door and retain them in the program and retain
7 them while they're at the job as well?

8 LARRY ROTHCHILD: I would also add to
9 that. Supportive services, mental health, food
10 insecurities, transportation are all critical. Most
11 of our contracts don't provide for mental health
12 services. We have to refer out. That would be
13 extremely helpful. Also, work experience I think
14 should be something that every participant should be
15 able to have access to.

16 CHAIRPERSON FARIÁS: I appreciate that. I
17 know one of my training pipelines was only 14 weeks
18 and, by week six, we were losing half of the class
19 because even with a MetroCard and even with lunch and
20 dinner covered, there were people that didn't have
21 childcare or couldn't actually last without having an
22 additional job. Having some sort of allotment of
23 funds to do the training. I appreciate those
24 responses.

2 What has been the impact of major
3 development projects in the communities you serve,
4 both in terms of economic opportunities and community
5 displacements or the lack thereof of investment?

6 LARRY ROTHCHILD: For us, I mentioned that
7 at St. Nicks Alliance we partner on some major
8 construction projects and development communities and
9 it's been able to afford our participants to be able
10 to stay in the communities that they come from.

11 That's been very successful. I mentioned the Two
12 Trees project, Broadway Triangle redevelopment, and
13 the Greenpoint Hospital redevelopment. Some of these
14 developer partners have also adapted to a pay-per-
15 training model so they're supporting us in ways that
16 funding hasn't allowed. I think that's critical to a
17 local pipeline and career promotion in the sectors.

18 EVELYN ORTIZ: We're along the waterfront
19 in Sunset Park and, although we've been actively
20 participating in many of the efforts that are
21 happening and there's a lot of announcements and a
22 lot of movement that is going on, to date we haven't
23 really seen the true benefit of some of these
24 investments. We know that a lot of them are still in
25 development. I think that at this very moment what

2 we're seeing is just a really great opportunity that
3 we're gearing up for. We're really excited about this
4 opportunity and really trying to see how we can
5 support both our adults and our young adults to
6 prepare, but I think most of the jobs that we are
7 looking to place our young adults in and our adults
8 are outside of the local community. That is something
9 that we're particularly focused on as we continue
10 these conversations and really try to get a better
11 understanding of when the jobs will become live as we
12 continue to train and empower people to gain access
13 to these opportunities.

14 GREGORY J. MORRIS: If I could just add,
15 regardless of what project you pick, whether it's the
16 Imagine project at Kingsbridge or it is the North
17 Shore of Staten Island, it's the Spark Kips Bay
18 Campus, regardless of where you look at this
19 particular moment, no matter what stage of the
20 development there is, and actually you can work
21 backwards to Hudson Yards if you want here, what
22 you're not going to find is data that tells you where
23 the local jobseekers found employment opportunities.
24 While it is absolutely the case that this Coalition,
25 these organizations have sought to work in

2 partnership with EDC, NYC Office of Talent and
3 Workforce Development, SBS, and the cavalcade of
4 organizations and entities that have an interest in
5 what development looks like moving forward, the
6 reality is we don't have a plan. There isn't a tent
7 pole. There isn't a strategy. There's lots of folks
8 with an interest. If SBS is in that pocket, it's
9 thought of that SBS is the answer. SBS is not
10 resourced by any stretch of the imagination to put
11 people on long-term pathways to careers that they can
12 live in New York City. In other pockets, it will be
13 CUNY. CUNY does fantastic work. They have had a very
14 difficult time finding career pathways for CUNY grads
15 because employers don't always look to CUNY grads for
16 answers, and then there are providers like our
17 Coalition members, the Lower East Side Employment
18 Network for instance, which was in a pocket of the
19 city on the Lower East Side that was able to
20 demonstrate success to be able to connect economic
21 development, workforce development over the course of
22 time, long enough now that that exists and it's in
23 place, but they will tell you they had to rely on
24 philanthropic funding to make that possible, not the
25 commitment and connection of public dollars over the

2 course of time. That's the kind of thing that's the
3 gap that exists. That's the kind of absence of
4 accountability that exists. And to what you said
5 earlier, that's the absence of investment that exists
6 and the true assets in this city, which is not about
7 the projects, it's about the people.

8 CHAIRPERSON FARIÁS: Thank you. I mean,
9 I'd love to hear thoughts. It could be yes or no or
10 expanded on the linkage fee, if it would be helpful
11 if we believe that proposed linkage fees would help
12 support the work of the organizations that you folks
13 are a part of, whether that's in providing job
14 training and workforce development services, whether
15 that's alleviating some of the costs that you have to
16 offset for other items. I'd just love to hear
17 thoughts on the linkage fees if anyone has any.

18 GREGORY J. MORRIS: Well, I can weigh in
19 here and say this. As you heard from this group,
20 workforce development happens within these shops.
21 Each one will tell you that they are getting 80 cents
22 on the dollar essentially from City gov if they're
23 relying on those contracts so they're already in a
24 hole. I think they'll also tell you that philanthropy
25 is a constant fight to be able to ensure the

2 resources that they need. As was flagged during the
3 course of this, supportive services are additional
4 costs that are expensive. As was identified in the
5 earlier conversation this week, the other hearing
6 related to asylum seekers, new New Yorkers, there are
7 additional investments, significant investments that
8 need to be made to build those on-ramps of
9 opportunity over month after month after month. The
10 value of a fee, the value of an actual commitment
11 that's written and conceptualized as something you
12 have to have in place, that's an accountability
13 opportunity to make sure that building and developing
14 results in actual employment opportunity. Employment
15 opportunity only comes if the talent is ready. The
16 talent's only ready if these guys are resourced to be
17 able to execute on the training programs and
18 opportunities so I appreciate what you've put
19 forward. One additional note, the City has relied on
20 HireNYC as a solution. It has not worked. I don't
21 know anybody who would tell you that it has. I think
22 people within the City secretly will tell you it
23 hasn't worked. That's the pivot to the community
24 hiring office, which is an interesting piece of this
25 puzzle, which ultimately there needs to be some

2 intersection in terms of accountability but, at the
3 end of the day, if the wealth and resources aren't
4 here, we're not going to see the outcomes. One final
5 note. If you look at the dollars that have been
6 directed to workforce development over the last 10
7 years, you will see increases. The problem is
8 workforce development looks very different from the
9 16-year-old that reads at a third-grade level for a
10 first-time job to the second-act jobseeker who's
11 thought their retirement was going to hold out and
12 now it's not going to to the person who actually
13 wants to be in the solar panel business in New York
14 City and sees that as a pathway forward. That goes
15 from 200 dollars to 35 grand. Where is that money?
16 How is it consistent? What does it mean? It takes
17 more than what we have now to get that done.

18 CHAIRPERSON FARIÁS: Great. I really
19 appreciate your responses.

20 Council Member, did you have any
21 questions?

22 COUNCIL MEMBER AVILÉS: Yeah. I guess
23 first and foremost, comment. Thank you all for being
24 here. Thank you for the work you're doing, and I 100
25 percent agree. You are the experts, and I think what

2 we saw today and continue to see is definitely the
3 gap, the gulf between the honest truth and the
4 propaganda to make private entities a whole lot of
5 profit and sometimes making profit for our own City.
6 I guess in terms of the, I was going to ask you about
7 New York Hire. I was also going to ask whether, I
8 have witnessed City agencies, EDC, extract a whole
9 lot of expertise from some of the entities on the
10 dais and offer no exact contracts and no investment
11 over the long term to be able, OBT should be seeing
12 enormous amounts of investment to get ready for four
13 years when SBMT is ready to transition into an actual
14 staging center. Yet there is unclear whether there
15 are any direct investments there. I guess I'm now
16 moving over into comment land, but I guess I would
17 like to know if you all are receiving direct
18 investments from some of these mysterious community
19 benefits or funds or whatever they like to call them,
20 which is why we need them to report and make
21 consistent investments so it's I guess a broad
22 question. Are you seeing direct investments from EDC?

23 CHAIRPERSON FARIÁS: I'm just going to let
24 the record reflect there were nods of no.

2 COUNCIL MEMBER AVILÉS: A unanimous no for
3 the record. Yeah. I guess I don't need to read any of
4 this. We could just put it in the flame.

5 Anyway, thank you so much for your work.
6 We're going to continue to fight for full investment
7 in the work of workforce, which we know takes time,
8 and we absolutely must invest in it so I thank you
9 for the work that you do.

10 CHAIRPERSON FARIÁS: Thank you, folks.
11 This panel is now dismissed.

12 I'd like to call up the next panel, which
13 I will just call three folks as the removal of
14 chairs. Denia Tavaréz, Emerita Torres, and Antoinette
15 Gregg. Sorry, I read that with a Bronx accent,
16 everyone.

17 You folks can begin when ready. Emerita,
18 would you like to begin?

19 EMERITA TORRES: Hi. Thank you, Majority
20 Leader Farias. Thank you, Council Member Avilés and
21 the entire Council for inviting CSS. My name is
22 Emerita Torres, and I'm the Vice President of Policy
23 at the Community Service Society of New York. For
24 decades, CSS has been working directly with NYCHA
25 tenants to improve conditions, promote economic

2 opportunities, and bolster resident democracy in
3 addition to the many other things that we do. Our
4 Unheard Third Survey found that one in five NYCHA
5 residents are unemployed, with the highest
6 unemployment rates among young men so, last fall, we
7 co-hosted a workshop with Red Hook Initiative to
8 uplift the resident perspective, which Council Member
9 Avilés actually attended, so thank you for that.
10 Three takeaways from the event. 71 percent supported
11 making the Summer Youth Employment Program year-round
12 and universal. Duplication of services and confusion
13 about them was a large concern. Residents want a more
14 centralized workforce development strategy, not a
15 spattering of disconnected programs, which is why we
16 support Intro. 0860. However, the bill, we find,
17 should clarify how the data will be integrated into
18 the Mayor's Workforce Development Council. Finally, a
19 key word here that we learned from residents was
20 trauma. Residents stressed that jobs mean nothing
21 without the centering of mental and physical health.
22 One resident said employment is not the panacea for
23 everything. Without support across all social
24 determinants, you're on a hamster wheel. Alongside
25 job training funding, which was emphasized in the

2 previous panel, we recommend funding mobile health
3 teams and trauma-informed approaches, like Cure
4 Violence in Chicago, the Trauma Response Team in
5 Baltimore, and Homeboy Industries in Los Angeles. Our
6 written testimony outlines other recommendations,
7 including reforming the current Section 3 federal
8 program, which has failed NYCHA tenants. Intro. 0165
9 could codify a Section 3-like program at the City
10 level. However, we caution that not all projects are
11 created equal with respect to margins and labor force
12 opportunities so we make specific recommendations to
13 this bill in our written testimony. Finally, we are
14 supportive of Intros 0810 and 0844 to promote
15 entrepreneurship. We find that the number of self-
16 employed NYCHA residents increased by 472 percent
17 between 2012 and 2021, but that less than 1 percent
18 of NYCHA residents own businesses, compared to 9.8
19 percent of the entire New York City population, and
20 we think that these bills can create more NYCHA
21 tenant entrepreneurs. Thank you.

22 ANTOINETTE GREGG: Thank you, Majority
23 Leader Fariás, Council Member Avilés, and the Members
24 of the Council for the opportunity to testify. I am
25 Antoinette Gregg. I'm the Senior Director of

2 Development for Per Scholas. It is the oldest tech
3 workforce organization founded and headquartered in
4 the Bronx. In nearly 30 years, we have trained more
5 than 25,000 alumni and, since 2009, Per Scholas has
6 trained more than 9,000 New Yorkers. We are poised
7 this year to train 900 and next year 1,000 so we are
8 expanding and it's needed. Our mission is to advance
9 economic equity by providing tuition-free tech
10 training to individuals traditionally
11 underrepresented in tech. On average, 90 percent of
12 folks enrolled in our programs are BIPOC, 30 percent
13 are women, 30 percent are from immigrant families,
14 and this is in contrast to the sector where less than
15 20 percent of people of color and only about 5
16 percent are women. Since the pandemic, Per Scholas
17 has more than doubled the number of people enrolled
18 in our programs. We've used a Satellite model that
19 allows us to work in partnership with CBOs to have
20 classrooms in every single borough. We place our
21 learners at 80 percent within 12 months of
22 graduation, and they are in thriving wage positions
23 in companies like Barclays, Morgan Stanley, Nagarro,
24 and Tech Systems. In Q4 of last year, employers were
25 looking to fill more than 32,000 tech positions in

2 New York City alone with a median salary of 128,000
3 annually. Of these jobs posted, 51 percent listed
4 either no education requirement or a minimum of just
5 high school diploma. Per Scholas' population is this
6 population, and so we have this huge task, along with
7 my colleagues here, to upskill low-income folks, and
8 this requires expanded and sustained investment. It
9 is critical for the City to make investments in
10 technical training and to also become a conduit to
11 increase employer commitments from companies to hire
12 for organizations like Per Scholas who have a proven
13 track record of placing quality talent. We commend
14 this Committee for the proposed legislative items and
15 resolutions and, as a fundraiser and advocate for Per
16 Scholas, I implore the City to make technology as
17 much of a priority as some of these traditional
18 sectors of the city. Technology is burgeoning, it's
19 ever-changing, it's pervading in every single sector,
20 and it needs to be expanded so funding for upskilling
21 and training in tech skills is critical for New York
22 City. Thank you.

23 DENIA TAVAREZ: Good afternoon. Thank you
24 to the City Council Economic Development Chair Fariás
25 and the Committee on Economic Development for their

2 work to strengthen the linkages between economic and
3 workforce development. My name is Denia Tavarez, and
4 I am the Senior Manager of Culinary Talent at Hot
5 Bread Kitchen, an organization that uses food
6 industry as a catalyst for economic mobility. Thank
7 you to the City Council for your ongoing support for
8 our work, our members, and our initiatives. We are
9 also a proud member of the New York City Economic and
10 Training Coalition and here today in support of
11 increased funding for our job training, education,
12 and employment program. Over the last 16 years, Hot
13 Bread Kitchen has supported a community of over 1,700
14 women, many of them are immigrants, people of color,
15 and assisting them in launching culinary careers.
16 We've also worked with employers, over 180 employers
17 throughout the city, particularly in Manhattan,
18 Brooklyn, Queens, and the Bronx. I'm sharing that
19 information, and I would also like to add a little
20 quick story regarding one of our members. Ophelia
21 immigrated from Mexico with her two children and,
22 like 70 percent of the individuals that go through
23 our program, she was unemployed. She worked through
24 our culinary training in 2023. She launched her
25 kitchen fundamentals and professional skills and

2 learned to work alongside others. After graduating,
3 my team provided her with direct job placement
4 assistance, and she was connected with one of our
5 employer partners, Farm to People. Today, Ophelia is
6 thriving. She's working as a prep cook. She's able to
7 provide for her family, and we hear great feedback
8 from our employer partner, Farm to People, as well.
9 This story illustrates the success of Hot Bread
10 Kitchen's work as the non-profit arm of the food
11 industry, supporting jobseekers, food employers, and
12 the economy. These employers across the industry
13 include corporate dining, bakeries, cafes, and
14 restaurants. Also, I'm very proud to share that once
15 our member is placed, they are more likely to stay at
16 the job, and we proudly speak about 70 percent
17 retention at one year of employment. On behalf of Hot
18 Bread Kitchen, I respectfully urge the Committee to
19 pass this Resolution. Thank you for your attention to
20 this important issue.

21 CHAIRPERSON FARIÁS: Thank you all so much
22 for coming to testify today. I'm very familiar with
23 Hot Bread Kitchen and Per Scholas' work, obviously,
24 and CSS' work. Thank you to Team CSS for such an in-

2 depth testimony. I will likely follow up with
3 questions. There are a lot of recommendations there.

4 Council Member Avilés, do you have any
5 questions?

6 Thank you so much. This panel is now
7 dismissed.

8 I'll now call our last two in-person
9 panelists, and we have one person on Zoom. Ibrahim
10 Xavier Johnson and Sharon Brown.

11 Ibrahim, you can begin.

12 IBRAHIM XAVIER JOHNSON: My name is
13 Ibrahim Xavier Johnson. I live in Harlem. I have a
14 construction background. I was in the Army Corps of
15 Engineers. I did construction projects in Nicaragua,
16 Alabama, and Louisiana. I also worked for DDC, New
17 York City Department of Design and Construction. I am
18 aware of community impact. Every construction project
19 impacts the community differently. I applaud you. I
20 support this legislation that you're introducing.
21 You're putting the community first. That stack of
22 paper that you have right there, it's about
23 empowering the community boards. I had a recent
24 negative experience with MTA trying to propose a
25 project. They offended us at the community board. I

2 thought about that when I came to this hearing, that
3 the community boards need more input. Your
4 legislation does that. I heard from the
5 Administration. They're talking about all this
6 bureaucracy stuff, but the bottom line is that you
7 are empowering the people. That's what we elect
8 officials for. I just want to remind you that we
9 elected Yusuf Salaam because of that reason. In
10 Harlem, I elect officials and I unelect officials. As
11 long as they empower us, as long as they make it
12 rain, especially with construction projects,
13 construction projects are cash cows and we should get
14 paid from that. We should be hired. We should get the
15 jobs. Your legislation does that. You're trying to
16 empower us. I'm very happy to be here in the City
17 Council and glad to know that we have other City
18 Council Members with your vision. I'm very happy that
19 you're doing that and please keep up the good work.
20 That's all I have to say.

21 CHAIRPERSON FARIÁS: Thank you so much. I
22 appreciate that. I'll let Council Member Salaam know
23 he must sign on to these bills.

24 IBRAHIM XAVIER JOHNSON: Absolutely, he
25 must.

2 CHAIRPERSON FARÍAS: I appreciate that.
3 Sharon. Please turn on your microphone.

4 SHARON BROWN: Before I start, I just want
5 to say release the hostages. Let Yahweh's people go
6 defend Israel. Try to do something about this.

7 CHAIRPERSON FARÍAS: I will remind you
8 that topic, you have to be on topic at this hearing.

9 SHARON BROWN: I am.

10 CHAIRPERSON FARÍAS: Okay, great, so
11 please begin your on-topic testimony.

12 SHARON BROWN: I couldn't help it. This is
13 economic opportunities, right?

14 CHAIRPERSON FARÍAS: Yes.

15 SHARON BROWN: There should be funding for
16 people to get houses and businesses. We shouldn't
17 only be limiting them to getting apartments. Your own
18 houses and businesses initiative. We're talking about
19 small businesses, but there should also be some kind
20 of initiative for people who want to become a major
21 corporation. Maybe if some of these small businesses
22 can get into some kind of program or they make a
23 program where they can become a major corporation.
24 Like say if you have Kinko's get with Apple and a
25 whole bunch of companies get together and all the

2 things they do, they come together and become one big
3 company. The small businesses, not everyone, but some
4 of them might want to become a major corporation that
5 does a variety of things. There should be economic
6 opportunities for people who want to become a major
7 corporation, not just small businesses. Houses,
8 businesses, and major corporations as well.

9 CHAIRPERSON FARIÁS: Thank you so much for
10 your testimony today.

11 We will now turn over to our virtual
12 testimony on Zoom and I'd like to call on Alex
13 Malescio. You can unmute yourself.

14 SERGEANT-AT-ARMS: You may begin.

15 ALEX MALESCIO: Good afternoon, Chair
16 Fariás and Members of the Committee on Economic
17 Development. My name is Alex Malescio, and I'm here
18 today on behalf of Urban Upbound, aka East River
19 Development Alliance, Inc., to express support for
20 Intros 165, 110, and 844. Urban Upbound is dedicated
21 to breaking cycles of poverty in New York City's
22 public housing and lower-income communities. Two
23 programs that are central to accomplishing our
24 mission are workforce development and
25 entrepreneurship support, and Urban Upbound believes

2 that the aforementioned bills would have a positive
3 impact on this body of work. Regarding Intro. 165,
4 the creation of a workforce development fund
5 supported by developer-paid linkage fees is an
6 opportunity to fill two gaps that due to limited
7 financial resources commonly exist in workforce
8 development programs across the City. These are
9 skill-specific trainings and stipend programs. For
10 instance, Urban Upbound provided over 200 clients
11 with OSHA-30 and/or site safety training certificates
12 last Fiscal Year. We've witnessed the demand for
13 these classes firsthand and, with additional funding,
14 we can more than double the number of clients who
15 enroll in our free classes. Additionally, some of
16 Urban Upbound's most successful programs that provide
17 free skill-specific trainings have traditionally been
18 paired with stipends for participants (INAUDIBLE)
19 such programs, which typically can take days, if not
20 weeks, or potentially months to complete, and thus
21 are often difficult to attend for New Yorkers who are
22 trapped in cycles of poverty. Therefore, Urban
23 Upbound recommends that the study proposed by Intro.
24 165 explore the impact of specifically funding
25 stipends and skill-specific trainings. (INAUDIBLE)

2 entrepreneurs, particularly those who are NYCHA
3 residents, face when starting or growing a small
4 business. Lack of access to capital and operating
5 space. Urban Upbound works diligently to connect the
6 entrepreneurs we support to accessible capital and
7 operating space...

8 SERGEANT-AT-ARMS: Your time is expired.

9 Thank you.

10 CHAIRPERSON FARÍAS: You can finish.

11 ALEX MALESCIO: But there is simply not
12 enough available to meet the needs of lower-income
13 entrepreneurs, especially those who lack English
14 proficiency or who are young adults. Urban Upbound
15 fully supports all three of these goals and is happy
16 to answer any questions. Thank you.

17 CHAIRPERSON FARÍAS: Thank you, Alex, for
18 your testimony. You did go in and out for a second
19 while giving testimony, so I would recommend that you
20 submit your testimony for the written record. If you
21 can make sure you email it to
22 testimony@council.nyc.gov just so we have it in
23 completion.

24

25

2 I don't have any questions, but thank
3 you, folks, for testifying today. The panel is now
4 dismissed.

5 Seeing no one else online or in the
6 public to testify, this Committee hearing is now
7 adjourned. [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 11, 2024