

**New York City Economic Development Corporation**

Fiscal Year 2020 Preliminary Budget Hearing

James Patchett, President and CEO

Good morning Chair Vallone and members of the Economic Development Committee. My name is James Patchett and I am president and CEO of the New York City Economic Development Corporation, also known as EDC. I am pleased to testify before you to discuss funding in EDC's preliminary budget and provide updates on some of our projects.

I am joined today by my colleagues Kim Vaccari, chief financial officer, and James Katz, chief of staff. After my testimony, we are happy to answer any questions you may have.

EDC is a self-sustaining non-profit organization that drives and shapes New York's economic growth. We manage city resources to create a bridge between agencies, local communities, and private businesses in three key ways:

- By owning and managing over 66 million square feet of real estate, which we are constantly improving and upgrading to maximize economic impact;
- By building neighborhood infrastructure to ensure that communities have a good quality of life;
- And finally, by investing in growth industries that have the potential to create good-paying jobs for all New Yorkers.

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Every day, EDC works on projects that make the city fairer today and stronger tomorrow. Today, when the city's unemployment rate is at four percent, a record low, and we are home to 4.5 million jobs, a record high, it is easy to believe that New York is safe from future economic blows.

But as the head of the city's economic development corporation, I have a responsibility to ensure that New York's residents and businesses are prepared for the next downturn. And that downturn could happen sooner than we would like. Last month, The Washington Post reported that most leading economists think the U.S. will enter a recession by 2021. Moreover, half of the group polled said a downturn could hit as early as next year.

New York City's own economic forecasts are down this year. Albany is threatening to impose \$600 million in budget cuts and shifts that may impact our ability to educate our children, provide financial assistance to families in need, and deliver health services to vulnerable New Yorkers. To limit this impact, the Mayor has set a savings goal of \$750 million for the City. This belt-tightening will require agencies to identify inefficiencies and redundancies in their budgets. While EDC isn't a City agency and cannot achieve this goal by reducing the amount of expense funding we receive from the city, we are prepared to do our part to contribute to the solution. We will participate in the PEG program through increased payments. In addition to our annual contract payment, land sale revenue, and 42DP revenue that we turn over, we will provide the City with an additional \$30 million in revenue support in FY '20.

In addition to directly contributing to the City's budget, EDC supports the local economy by developing programs that strengthen neighborhoods and create good-paying jobs. Over the past year, we have spearheaded major initiatives including: launching We Venture, a plan to increase access to funding for women entrepreneurs; implementing two new NYC Ferry routes with two more on the way; and building a new tech training center in Union Square to ensure that New Yorkers of all backgrounds have a pathway to 21<sup>st</sup> century jobs. We are proud of our work on these initiatives and our continued ability to deliver on short timelines.

And across the five boroughs, there are scores of EDC projects that are just as impactful as these. I'd like to provide a snapshot of these projects, which span from Stapleton on Staten Island to Edenwald in the Bronx and are in dozens of neighborhoods in between. They are parks, markets, manufacturing hubs, and discovery labs. And over the past year, we have made tremendous progress on many of them, helping to change the lives of New Yorkers and strengthen the economy for future generations.

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In the **Bronx**, EDC is bringing a much-needed recreation center to the Edenwald neighborhood. This new YMCA facility will provide thousands of local families with a full-service recreation facility that will include two pools, a basketball court, gym, and indoor track. The center will also provide childcare, after-school, summer camp, wellness programs, senior adult programs and civic classes for new Americans. For decades, local residents have tried to establish a recreation center of this size and scope. We are excited to partner with them and finally bring this facility to life.

In **Brooklyn**, EDC is transforming the Flatbush Caton Market, a local commercial and cultural institution, into a rejuvenated, mixed-use community asset. We are creating a brand-new, expanded market that gives legacy vendors like Balkaran Jewelers an opportunity to sell their goods in a modern, reinvigorated space. This space, which includes a commercial kitchen, digital technology lab, and textile fabrication unit, will also provide a new home for the Caribbean American Chamber of Commerce and Industry and will continue to support small businesses and entrepreneurship through on-site programming. In addition, there will be 255 affordable homes on site. This project successfully furthers two key EDC objectives: empowering small businesses and increasing access to affordable housing.

In **Queens**, EDC opened the second phase of Hunter's Point South's 5.5-acre waterfront park. This new green space begins south of 54<sup>th</sup> Avenue and wraps around Newtown Creek to complement phase one of the park, resulting in a total of 11 acres of waterfront open space in an area that sorely needs it. This urban oasis is home to wildlife, marshlands, a playground, café, kayak launch, and unparalleled views of Manhattan. We believe every New Yorker has the right to access world-class parks; we are proud to support those efforts across the city.

On **Staten Island**, EDC is working in partnership with the Parks Department to deliver nearly 12 acres of new infrastructure and open space to the North Shore community. The project activates the formerly-inaccessible Navy Homeport and provides first-rate recreation space adjacent to a

continuous waterfront esplanade. The first five acres are already open to the public and an additional seven acres are currently being designed.

And just yesterday in **Manhattan**, we worked with the Mayor's Office of Recovery and Resiliency to release a plan to protect Lower Manhattan from climate change. This plan advances \$500 million in capital projects that will protect 70 percent of Lower Manhattan from the effects of climate change. It also provides interim protection for vulnerable waterfront neighborhoods, like Two Bridges and Battery Park City, and makes recommendations for extending the shoreline into the East River for the remaining 30 percent of this area, which includes the Financial and Seaport Districts.

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These examples are just a few of literally hundreds that highlight how EDC serves New Yorkers and strengthens our neighborhoods. And sometimes, we have projects that reach people in every corner of every borough.

This year, the city budget will include \$107 million in funding for NYC Ferry's expansion and new routes. This includes \$35 million for necessary infrastructure upgrades tied to the service's expansion, which will now include Coney Island, Throgs Neck, the North Shore of Staten Island and Manhattan's West Side. It also includes \$72 million for new vessels tied to the recently-announced expansion. We are grateful that the Council continues to support the ferry system, which has dramatically improved the accessibility of our waterfronts and is critical to the city's efforts to expand transit options for residents.

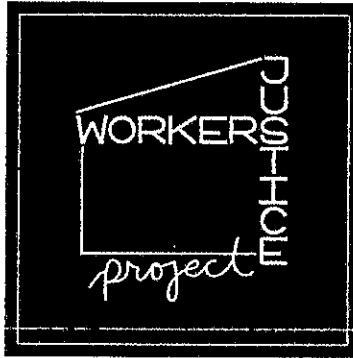
Of course, we are always looking out for the health of our citizens while strengthening our economy in the process. Over the past year, we have made major investments in LifeSci NYC, an initiative to establish New York as a global leader in life sciences research and innovation. A priority from the outset has been establishing pipelines of talent from our universities into good-paying life sciences jobs. This is why EDC established the LifeSci NYC Internship program. For the past three years, we have offered hundreds of students' summer internship opportunities in the life sciences sector. This past year, 82 students from across the boroughs, were placed in internships, our highest participation ever. Moreover, 31 of these students were offered full or part-time positions following their internship, highlighting the program's success.

We are also tirelessly working to protect our citizens from cyberattacks. Last year, EDC launched Cyber NYC, the city's initiative to grow the cybersecurity sector. We are now working with world-renowned partners on a suite of initiatives including launching a Global Cyber Center, creating an innovation hub for startups, starting initiatives to fuel commercialization and research, and building new talent pipelines to train the cyber workforce of the future.

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No matter the size and scope of our projects, EDC is proud to help build a fairer and stronger New York, one with better infrastructure, more opportunities for residents, and robust industries that keep our economy growing.

Thank you for the opportunity to testify. I now welcome any questions you may have.



**TESTIMONY  
of  
Workers' Justice Project (WJP)**

**Presented to:**

**New York City Council Committee on Economic Development Committee (NYC EDC)  
Hearing**

**Honorable Paul A. Vallone, Chair**

**Friday, March 15<sup>th</sup>, 2019**

**Prepared By:  
Aline Biler**

**Workers' Justice Project (WJP)  
365 Broadway Brooklyn, NY 11211**

Good afternoon, Chairperson Paul A. Vallone, and the distinguished members of the New York City Council Committee on Economic Development Committee (NYC EDC). On behalf of Workers Justice Project (WJP), I want to thank you for this opportunity to testify today on the importance of supporting day laborer centers and worker-owned cooperatives in a city where immigrants already contribute significantly to our economy.

My name is Aline Biler and I am here representing Workers' Justice Project (WJP). As an immigrant myself and staff member of Workers' Justice Project, I feel particularly honored to speak on behalf of our organization that has been for more than ten years, supporting the creation of a stronger, equal and fair economy for our community; by engaging immigrant communities and working with Day Laborers in all five boroughs.

In Workers' Justice, we believe in fighting for the rights of immigrants to work in safe and protected environment, where they are not deprived of their human rights nor excluded from laws and regulations made for all individuals alike. We believe that through organizing, education, and leadership development, a change can be created in the relationships between workers and their employers, therefore sustaining an economy that grows and thrives with equality.

Worker's Justice Project (WJP) organizes day laborers who do not have traditional employment relations and work in unregulated industries. Through its day laborer center, WJP provides a way to fight wage theft and health and safety violations while also developing career pathways for construction workers by enabling them to obtain critical occupations and leadership skills through on-site training. For workers who, because of their immigration status, do not have a clear pathway and cannot access certain union trainings or NYC's workforce1 services, the day labor center is a hub that provides training to build necessary skills.

We appreciate the NYC Council support to the Day Labor Workforce Initiative in FY19, which has allowed WJP to connect day laborers to opportunities for continuous training and skill-building. At the WJP day labor center, workers collectively set the wage floor at \$20 per hour, but wages can go up to \$28 per hour. Through our center, WJP is building partnerships with businesses and contractors who want to be responsible employers by 1) hiring from within the community, 2) signing an agreement to pay the center's minimum wage, 3) providing health and safety equipment, and 4) allowing the center access to the job site for inspection if necessary. Also, employers are agreeing to an eight hour work day with a 30 minute break for lunch and provide water for workers.

The Center makes itself appealing to responsible employers by connecting them with a skilled and trained workforce that is often neglected from NYC's traditional workforce development services. Because employers know and trust that workers can provide skilled labor and have been trained and assessed, they are willing to pay the higher wages. The Center also plays a role in revitalizing the local economy—creating over a million dollars in revenue every year through increased wages. Through the day laborer center, workers have been able to increase their salaries by 30 to 40 percent.

We're proud to be building a city that values the contribution of the day labor community, but most importantly that is investing in a meaningful workforce development infrastructure through the Day Laborer Workforce Initiative. New York City has been model for other cities to

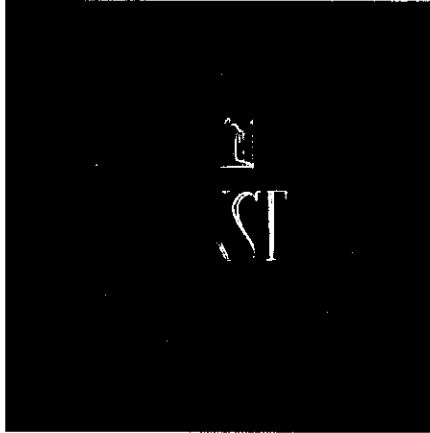
follow. We hope that you will continue to make a commitment to lead the nation in the fight for workers rights and workforce development inclusion.

Again, thank your support in FY19 and **we urge the Council to support the expansion and development of these two key initiatives; 1) the Day Labor Workforce Initiative with funding of \$3.6 million and 2) Worker Cooperative Business Development Initiative with funding of \$4.8 million in FY 2020.** It is through your enhanced support that we can work on the development of new and creative opportunities for immigrants in the economy of our city.

We will continue to expand our services and reach to provide more construction safety and skill building trainings, immigration and know-your-rights-workshops, wage theft case managements, educational services and technical assistance services to developing cooperatives, and referrals to legal institutions. We are poised to take major steps in addressing the needs of the worker immigrant community in FY20 and we need the continued support of the city Council to make these plans a reality.

### **Conclusion**

We thank the City Council for the opportunity to testify. We ask that New York City commit to support the continued expansion and development of two key initiatives; 1) the Day Labor Workforce Initiative with funding of **\$3.6 million** and 2) Worker Cooperative Business Development Initiative with funding of **\$4.8 million** in FY 2020. We hope that you will consider our budget priorities and recommendations during this year's budget negotiation process, and look forward to continuously working closely with you to ensure hard working individuals and families have opportunities to achieve economic advancement and create shared prosperity for all New Yorkers.



## **TESTIMONY**

Preliminary Budget Hearing:  
“New York City’s Worker Cooperative Business Development Initiative:  
Worker Cooperatives As An Economic Development Strategy”

### **Presented to**

New York City Council, Committee on Economic Development  
Hon. Paul Vallone, Chair  
Friday, March 15, 2019

### **Prepared By:**

Marisol Linda Diaz, President, Founder, and Worker-Owner  
Brooklyn Stone and Tile

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Good afternoon, Chairperson Vallone, and the distinguished members of the New York City Council Committee on Economic Development.

My name is Marisol Linda Diaz and I am a worker owner of Brooklyn Stone and Tile, a worker cooperative located in Brooklyn Navy Yard. We fabricate and install tile, stone table tops, vanities, wall panels, among other products.

We came from a family-owned business that was headed by a baby boomer who decided to retire. His retirement, combined with an already failing business, created for us workers, a very difficult moment alongside already very bad working conditions. We were 20 employees that would have been out of jobs without the funding and support we received to form a worker cooperative. This support provided us the ability to start anew, converting the business into a new company. What we were able to do meant saving jobs, bringing the work and industry back, and keeping it here in NYC. We are talking about workers who are overwhelmingly from minority communities - 80% of them didn't have a college degree but had over 25 years of valuable experience working for the former company. Of the original 20, 9 of us are working at the moment. We have been working hard to expand, trying to keep as many of us together as possible and not be unemployed for a long time. We actually started with 3 and are now 9 with 7 more interested in rejoining - and we are going to get there!

How did this happen? The former owner came across The Working World (TWW) in 2017 which provided him information about transferring the business to worker-ownership. For legal reasons, the purchase of company wasn't able to be completed but TWW did not give up. They felt they had the funding through their loan funds and what's more, they believed in us, our team and the work we did. They supported us to create a new business.

In January of 2018, TWW sat with us and proposed starting anew and we came up with a business model. By february we held various meetings to logistically place ourselves in the Brooklyn Navy Yard, setting up shop and equipment, and by April we began as a new business. TWW also has a loan fund and gave us direct financial support - something cooperatives and small business really need, but have a hard time accessing.

I didn't even know about cooperatives until this situation came about. The fact that this support exists is so exciting to me. I feel as though I hit the lotto because there's one in a billion chances to be offered support to start a business. I want to spread this message. I grew up in Lower East Side with a dream of managing a business in its entirety. But for so many of us, it is so hard when you keep hitting glass ceilings or you have to put your house or everything you own as collateral.

I want to see the same support we received spread to all minority communities. Imagine what our economy would look like if more and more people knew about worker cooperatives and had the support they need to form them or convert businesses! I am sure there are many little girls out there who are just like me.

We have received support from small business services, TWW, and other organizations in co-op ecosystem for classes in leadership and business organization, among other things. The City can do more to bring awareness to a lot more people and businesses about this model and the support that's out there. Expanding these services, including courses such as quickbooks and industry-specific issues would be so helpful.

I thank the City Council for this opportunity to testify and for its support of worker cooperatives and their support organizations.



## **TESTIMONY**

Preliminary Budget Hearing:  
"New York City's Worker Cooperative Business Development Initiative:  
Worker Cooperatives As An Economic Development Strategy"

### **Presented to**

New York City Council, Committee on Economic Development  
Hon. Paul Vallone, Chair  
Friday, March 15, 2019

### **Prepared By:**

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Good afternoon, Chairperson Vallone, and the distinguished members of the New York City Council Committee on Economic Development. On behalf of the 14 organizations that make up the Worker Cooperative Business Development Initiative (WCBDI), we want to thank you for this opportunity to testify on the economic and social opportunities inherent in the structure of worker cooperatives and to share the successes we have achieved through the implementation of the WCBDI as we look ahead to supporting the creation of more businesses, dignified jobs, and shared prosperity for New York City residents in FY 2020.

The New York City Network of Worker Cooperatives (NYC NoWC) is the local trade association representing worker cooperative businesses across New York City. The Worker Cooperative Business Development Initiative has served to bolster our sector, strengthening existing cooperative businesses and creating new ones, which are overwhelmingly immigrant and women owned. The Initiative Partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensures the creation of new cooperatives in low income areas, but also the technical assistance needed to sustain businesses and create jobs, as well as the education and outreach needed for communities, interested entrepreneurs, and allied organizations.

**We urge the City Council to support worker cooperatives, which provide higher wages and job stability to individual workers and their communities, by enhancing the initiative to \$4.85 million in FY20.** WCBDI provides essential services to worker cooperatives and raises awareness about them across the five boroughs. At this point, I would like to acknowledge the continued support of Council Member Rosenthal and her advocacy for this initiative, as well as the support and partnership of SBS, our contracting agency which as worked closely with us over the years.

In FY 2015, New York City became the first city to support worker cooperative development in the country, through WCBDI. Since that time, it has inspired numerous other cities to do the same, from Madison, WI to most recently, Berkeley, CA. Today, in 2019, we have seen the first support for worker cooperatives on the Federal level as well, through the recent passage of the Main Street Employee Ownership Act, which recognizes worker cooperatives and can potentially provide them access to SBA loans. As the interest in worker cooperatives continues to grow locally and nationally, we hope that the city continues to play a role in supporting the New York City-based worker cooperatives and not-for-profit support organizations, such as The Working World (TWW), Green Worker Cooperatives (GWC), Center for Family Life (CFL), and the New York City Network of Worker Cooperatives (NYC NOWC), among others, who promote the development and expansion of worker cooperative businesses as a means to reduce poverty and income inequality in New York.

Worker cooperatives are values-driven small businesses whose core purpose is to benefit workers and their community. In contrast to traditional companies, employees at worker cooperatives participate in making and apportioning the profits, overseeing, and governing the organization using democratic practices. Workers own the majority of the equity in the business, and control the voting shares. The model has proven to be an effective tool for equity, creating and maintaining

sustainable, dignified jobs; generating wealth; improving the quality of life of workers; and promoting community and local economic development, particularly for people who lack access to business ownership or sustainable work options. Co-ops are more likely to give back to the local economy and local communities, because they are made up of local people who are from the community connected to communities. Cooperatives are models to prevent the harmful effects of gentrification on legacy businesses, offering a solution for workers to take up a business when an individual owner cannot continue to support it or is retiring. They are models for community - centered economic development that can and does lead to scale. They can solve big problems at industry level whether as start-ups that grow or as converted businesses. Finally, the creation of employment for some of our city's most disadvantaged citizens is built into the purpose of cooperatives.

Through the collective efforts of the Initiative and, as a result of the over \$11 million dollar investment by the City Council, the number of cooperatives in New York City has grown exponentially in five short years. In the first four fiscal years, the Initiative has led to approximately 130 cooperatives created in various stages of development and has created and preserved 631 jobs in all five boroughs. It has provided over 4,000+ technical assistance services to these and hundreds more businesses. This thriving cooperative business community will continue to grow; providing jobs that pay better wages and ensuring that the wealth generated by these new jobs remains in New York and is reinvested in the local economy.

**The Initiative is requesting that the City Council increase its investment in the Worker Cooperative Business Development Initiative from \$3 million in FY19 to \$4.85 million in FY 20.**

While the Initiative has made remarkable progress in the last five years, the infrastructure needed to support the growing cooperative community in New York needs to be expanded. With increased funding, the Initiative will not only continue to develop new cooperative businesses, with 38 new cooperatives set to launch this fiscal year, but foster an environment where such enterprises will thrive in the long term. With increased support, WCBDI will focus on more quality and tailored training for worker cooperatives, as well as support for more co-op support organizations, as we have seen growing interest from other CBOs, labor unions, academic institutions among others who are interested in bringing the cooperative model and co-op education to their communities. In addition, the Initiative will continue to have an impact on cooperative creation, on assistance provided, and jobs created with at least 148 new jobs set to be created in FY20.

We thank the City Council for the opportunity to testify. We hope that you will consider our budget priorities and recommendations during this year's budget negotiation process, and look forward to continue working closely with you to ensure hard working individuals and families have opportunities to achieve economic advancement and create shared prosperity for all New Yorkers.



**NEW YORK CITY COUNCIL**  
**Committee on Economic Development**  
**Friday, March 15, 2019**

*Testimony presented by Aileen Chumard Fuchs, President & CEO, Snug Harbor Cultural Center & Botanical Garden*

**INTRODUCTION**

Good afternoon, Chair Vallone and members of the Committee. My name is Aileen Fuchs and I am the President & CEO of Snug Harbor Cultural Center & Botanical Garden, located on the North Shore of Staten Island. Snug Harbor is a proud member of the CIGs – a coalition of 33 cultural organizations who share a public-private partnership with the City of New York and are located in all five boroughs. As the head of Snug Harbor and on behalf of the CIGs, I am here today to provide testimony on the profound economic impact of cultural institutions in New York City. We are so grateful for the continued support of the Mayor and the New York City Council.

Snug Harbor is both a cultural programmer and property manager of an 83-acre historic site that also houses two other CIGs -- the Staten Island Museum and Staten Island Children's Museum – as well as the Noble Maritime Collection and other organizations. In FY18, Snug Harbor and our constituents hosted over 400,000 visitors. Snug Harbor's Education department served 22,000 students last year, 16,000 of them from low-income communities and Title I schools. Our partnership with the New York City Department of Probation provides workforce development opportunities to young adults seeking to rebuild their lives. Partnerships with CUNY, Americorps and others provide internships and Summer Youth Employment opportunities for youth in our communities. Our Heritage Farm gifts ten percent of its annual yield to food insecure New Yorkers while simultaneously sourcing to some of the City's best restaurants.

Snug Harbor is the cultural anchor of our borough. It is where Staten Islanders experience their first museum or take in their first live performance. It is where they take classes in the



visual arts, dance, music, theatre, horticulture, yoga. It is where they walk their dogs, take prom and engagement photos, and get married.

The arts and culture sector contributes hundreds of billions of dollars annually to the American economy.<sup>1</sup> We know that the impact of the cultural sector on New York City is considerable. CIGs in each borough drive tourism and economic investment. CIGs are job creators. In 2017, the most recent data available, CIGs employed 15,700 full- and part-time employees, including 5,800 union members with an average salary of \$49,000, and spent upwards of \$490M on local vendors. In FY18, Snug Harbor spent nearly \$2M on vendors. Fully two-thirds of our vendors are located in New York City, with an additional ten percent located elsewhere in New York State.

Collectively, Snug Harbor and our constituent organizations are the largest cultural employers in Richmond County. We used data derived from the Americans for the Arts economic impact calculator to arrive at significant numbers, elaborated on in my written testimony.

TOTAL EMPLOYEES ON SITE (including constituent organizations):	256
TOTAL ANNUAL VISITORS:	402,000+ per year
ANNUAL ECONOMIC IMPACT:	\$21.6 million
ANNUAL LOCAL TAX REVENUE:	\$895,000
ANNUAL STATE TAX REVENUE:	\$1,288,000

Snug Harbor and our constituent organizations are key economic drivers for the North Shore of Staten Island, a State-designated Economic Opportunity Zone with a poverty level of 23.7%.

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<sup>1</sup> According to data recently released by the federal Bureau of Economic Analysis and the National Endowment for the Arts, the arts and cultural sector contributed over \$763.6 billion to the American economy in 2015—more than the agriculture, transportation or warehousing sectors.



Snug Harbor raised the bar this past year by hosting the first ever NYC Winter Lantern Festival, which put our borough on the map as a desirable holiday and tourist destination. More than 150,000 visitors attended this six-week festival, which became a top-photographed location during the holiday season with over 7 million social media impressions. These visitors ate in local restaurants, had drinks in local bars, bought gas at local gas stations, and discovered the unique character of our communities. With continued and increased City support, Snug Harbor can host this and more cultural events and attract new audiences to a borough that has traditionally been cut out of the tourism conversation.

The CIG has asked the City Council to increase funding in FY20 to the Department of Cultural Affairs and—while not the purview of this committee—we ask your consideration of these requests in the budget process. As we have seen, the economic impact of our City's cultural organizations is substantial.

On behalf of Snug Harbor and the CIGs, thank you for hearing my testimony today. I am now happy to take any questions you may have.





# **ADVANCING OUR COMMUNITY**

**Chinese-American Planning Council, Inc.  
Testimony at the New York City Council Committee on Economic Development  
Honorable Paul Vallone, Chair  
3/15/2019**

Thank you Chair Vallone and the Members of the City Council for the opportunity to testify today. The mission of the Chinese-American Planning Council, Inc. (CPC) is to promote social and economic empowerment of Chinese American, immigrant, and low-income communities. CPC was founded in 1965 as a grassroots, community-based organization in response to the end of the Chinese Exclusion years and the passing of the Immigration Reform Act of 1965. Our services have expanded since our founding to include three key program areas: education, family support, and community and economic empowerment.

CPC is the largest Asian American social service organization in the U.S., providing vital resources to more than 60,000 people per year through more than 50 programs at over 30 sites across Manhattan, Brooklyn, and Queens. CPC employs over 700 staff whose comprehensive services are linguistically accessible, culturally sensitive, and highly effective in reaching low-income and immigrant individuals and families. With the firm belief that social service can incite social change, CPC strives to empower our constituents as agents of social justice, with the overarching goal of advancing and transforming communities.

To that end, we are grateful to testify about issues that impact the individuals and families we serve, and we are grateful to the Council for their leadership on these issues.

Immigrants make up nearly half of the city's workforce, and much higher proportions of key sectors where the city is investing significant resources to build industry partnerships and career pathways, including food service, construction, healthcare and retail. There are over 2.4 million working-age immigrants in New York City.

Yet, despite their significant economic contributions to the city, immigrants have lower incomes than their native-born counterparts, with the median annual household income for immigrant New Yorkers at \$43,700 compared to \$54,700 for native-born New Yorkers. 28 percent of immigrant New Yorkers earn less than \$25,000 per year, compared to 14 percent of native-born New Yorkers.

About 1.7 million adult New Yorkers are limited English proficient (LEP), and 23 percent of all New York City workers are LEP. Only 38 percent of immigrant workers in New York City ages 25 and older have a bachelor's degree or higher, compared to 56 percent of native-born workers. 21 percent of immigrant workers have less than a high school degree, compared to only 6 percent of native-born workers.

While New York City's Career Pathways initiative emphasizes skill building and career pathway progression, it does not account for the population-specific needs of immigrant New Yorkers. Despite City investment in more bridge programs for lower-skilled job seekers, the bridge

programs require a level of English proficiency (intermediate or advanced) that excludes participation from immigrant job seekers with limited or no English proficiency. Immigrant serving community based organizations like CPC provides wraparound services that address the most common barriers that immigrants face in advancing along a career pathway, including lower levels of formal education, the need for ESOL programming to precede all other workforce training for LEP workers, difficulty transferring foreign credentials, lack of knowledge of how to navigate the U.S. job market and workplace, lack of access to social services (including citizenship and legal services), and immigrant status impacting hireability or workplace exploitation.

In order to meet the unique needs of the immigrant workforce, we recommend that the City increase funding and provide oversight on the \$60 million in annual Bridge Program Funding promised by Mayor de Blasio in his 2014 Career Pathways plan. In order to be inclusive and increasingly impactful, the City MUST address barriers to immigrant participation in the workforce. We advocate that a significant portion of the Bridge Program expansion should be used to fund a pilot innovative Immigrant Workforce Development Initiative with a focus on integrating pre-literacy and basic ESOL classes (Levels 0-3) with vocational ESOL, digital literacy, skills training, and student support services (counseling and case management). Coordination of ESOL and skills-building training is critical in providing LEP immigrant job seekers a foundational knowledge of English that will qualify them for the prerequisites of vocational and skills-building training, and expand their access to living wage jobs.

Additionally, in order to protect our City's immigrant workers, the City must invest in language accessible legal services through the community based organizations that have deep contact with immigrants. Employment, housing and immigration are the top three legal issues facing immigrant New Yorkers, and they are deeply interconnected- often employers will exploit their workers because of immigration status, for example. And often immigrant workers are unfamiliar with the system and do not even know that they have a potential legal case until a CBO staff member identifies an issues. For example, a number of our adult literacy teachers have identified legal issues that students were facing through assigning practice to talk about work in English, and then the student shares that their employer is withholding paychecks, and did not even know that it was a legal issue until the teacher said it was. This is why it is critical that community based organization staffers are trained to recognize legal issues and have comprehensive intake, referral, and follow-up systems, all in language. Yet despite this high need, there is not a single Asian American Pacific Islander (AAPI) legal services provider in New York City, and there are no funding streams for CBOs to provide know your rights, consultation, case intake, referral and follow-up, or even house legal services on site. We urge the City to invest in wraparound legal services for AAPI New Yorkers and all immigrant workers.

CPC appreciates the opportunity to testify on these issues that so greatly impact the communities we serve, and look forward to working with you on them.

If you have any questions, please contact Carlyn Cowen at [ccowen@cpn-nyc.org](mailto:ccowen@cpn-nyc.org).



New York City Council  
Economic Development Committee  
FY 2020 Preliminary Budget Hearing  
March 15, 2019

**Testimony of Tasfia Rahman,  
Policy Coordinator, Coalition for Asian American Children and Families (CACF)**

My name is Tasfia Rahman, and I am a Policy Coordinator at the Coalition for Asian American Children and Families (CACF). Thank you, Chair Vallone and members of the committee for the chance to testify at this important oversight hearing on the city's fiscal year (FY) 2020 Preliminary Plan.

Since 1986, CACF is the nation's only pan-Asian children and families' advocacy organization and leads the fight for improved and equitable policies, systems, funding, and services to support those in need. The Asian Pacific American (APA) population comprises over 15% of New York City, over 1.3 million people. Yet, the needs of the APA community are consistently overlooked, misunderstood, and uncounted. We are constantly fighting the harmful impacts of the model minority myth, which prevents our needs from being recognized and understood. Our communities, as well as the organizations that serve the community, too often lack the resources to provide critical services to the most marginalized APAs. Working with almost 50 member organizations across the City to identify and speak out on the many common challenges our community faces, CACF is building a community too powerful to ignore.

**CACF also leads the 15% and Growing Campaign, a group of over 45 Asian led and serving organizations that work together to ensure that New York City's budget protects the most vulnerable Asian Pacific American New Yorkers.** Campaign members employ thousands of New Yorkers and serve hundreds of thousands of New Yorkers. Currently, the Asian Pacific American community is by percentage the fastest growing group in New York City, nearly doubling every decade since 1970 and making up 15% of the population. Unfortunately, current levels of public funding for the Asian Pacific American community remain disproportionate to our community's needs.

- Nearly a quarter of APAs live in poverty, the highest of all racial groups in NYC.<sup>1</sup>
- Asian Americans have the highest rate of linguistic isolation of any group in the City at 42%, meaning that no one over the age of 14 in the household speaks English well.<sup>2</sup>

Consider that Asian led and serving organizations receive only 1.5% of the City's social service contract dollars. Yet, while many 15% and Growing Campaign members have long relied on City Council discretionary dollars to provide vital services in Asian Pacific American ethnic enclaves in Council districts throughout the City, our analysis of publicly available budget documents from the CFY2020 Adopted Budget revealed that Asian led and serving organizations received only 5.06% of City Council discretionary dollars. The City needs to invest more in key initiatives and programs that could potentially provide services and resources inaccessible to our community.

We are particularly concerned about the lack of investment in workforce development programming that better fits the needs of APA immigrants who face multiple challenges in entering the workforce. Immigrants comprise 47% of the workforce in NYC and an estimated 1.7 million New Yorkers are Limited

<sup>1</sup> New York City City Government Poverty Measure 2005-2016 (April 2018)

<sup>2</sup> U.S. Census Bureau, 2016 American Community Survey

English Proficient (LEP).<sup>3</sup> Current City investment in Bridge Programming is not only insufficient but are inaccessible to most immigrant job seekers with limited or no English proficiency who do not meet the requirements for intermediate or advanced proficiency in English.

The 15% & Growing Campaign requests that City Council advocates for the inclusion of the \$60 million in annual Bridge Program Funding promised by Mayor de Blasio in his 2014 Career Pathways plan. However, We especially urge that significant portion of that be used to fund an innovative pilot Immigrant Workforce Development Initiative with a focus on integrating pre-literacy and basic ESOL classes with vocational ESOL, digital literacy, skills training, and student support services.

Immigrant communities have always been a primary driving force for strong economic development in the city. However, in this anti-immigrant climate, our communities are in danger of being further marginalized and left out of the workforce. We ask that you continue to ensure the well-being of our community by supporting a more inclusive workforce development initiative. Thank you and we look forward to working the NYC Council on this issue.

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<sup>3</sup> 2016 Report, Center for an Urban Future & Center for Popular Democracy  
Coalition for Asian American Children and Families  
March 11th, 2019

March 15, 2019 Testimony to The New York City Council  
Committee on Economic Development

Eve Moros Ortega  
National Urban Fellow  
Arts Gowanus Board President  
New Yorkers for Culture and Arts Trustee

Good morning. My name is Eve Moros Ortega and I am a National Urban Fellow at CUNY, earning my MPA with a focus on cultural advocacy, while also working full-time as a cultural consultant at Lord Cultural Resources, a management consulting firm specializing in arts and culture. I'm also a trustee of New Yorkers for Culture and Arts, and Board President of Arts Gowanus - where our mission is to support a thriving cultural community for the rapidly changing and very diverse neighborhood of Gowanus, Brooklyn.

I'd first like to thank the Council for the opportunity to speak at this hearing. As a cultural advocate, it is a privilege and I think a necessity to speak to the Council about the crucial role that arts and culture play in our city's economic landscape. Arts and culture, quite simply, are not a luxury - they are a necessity, and surely one of the key anchors of New York's competitive advantage. I sensed this for years, as a long-time NYC resident, and arts lover. Indeed, the arts are what drew me to this city and have kept me here. But now, as I shift my work to policy with my MPA, I see with hard data just what an economic driver the arts are. Just last week, US government data released by the Bureau of Economic Analysis and the National Endowment for the Arts showed that the arts generated 4.2% of overall US GDP, employing roughly 4.9 million Americans who collectively earned over \$370 billion<sup>1</sup>. And in NYC? Our CreateNYC cultural plan cites studies showing the creative and cultural sectors in NYC provide over 400,000 jobs and that the nonprofit cultural sector alone has generated over \$8 billion in a year.<sup>2</sup>

In my work as a consultant with national and international clients, I see how much of a beacon, and benchmark, NYC is for the arts. We know this from our tourism -- culture is one of the great draws to New York City. Last October, I attended the Mile-Long Opera at the High Line, directed by Elizabeth Diller, one of the architects behind our new West Side cultural institution, The Shed. I waited for over an hour in the rain, in a line that

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<sup>1</sup><https://www.artsy.net/article/artsy-editorial-arts-sector-contributed-7636-billion-economy-agriculture-transportation>

<sup>2</sup> CreateNYC p. 39, citing 2017 New York Works: Creating Good Jobs report

snaked around 2 city blocks. The hunger for culture is huge, and those crowds then are also hungry for a meal, for shopping, for accommodations and so on.

But as a Gowanus resident, I want to remind you that it's not just about our spectacular marquee cultural institutions like the High Line, or the Shed, and other big names. Just as important to the vitality of our communities are our smaller cultural institutions. Arts Gowanus is one of these, hosting an annual open studio tour each fall for the hundreds of artists that live and work in the neighborhood. In the 5 years since I joined the organization, I've seen how funds from the city made all the difference in allowing us to thrive, and I want to thank council members Lander and Levin for the support of their discretionary funds which have been so crucial. As Arts Gowanus has thrived, so too, have we helped burgeoning local businesses in Gowanus. We've seen first hand, up close, what an economic driver Arts Gowanus is in our community. Five years ago, we struggled to get sponsors from small businesses who said they could not afford even the \$100 to sponsor an advertisement. Today those same small businesses, and new ones, call us, asking to spend over 3 times that amount for ads, which cumulatively do add up for us, and are well worth it for them, as we now have thousands of visitors - from all over the region and even from Europe - crawling about Gowanus and filling our local businesses - Babas Pierogis, Threes Brewing, Royal Palms Shuffleboard, Ample Hills Creamery, and more.

I know there are thousands of these stories all throughout the city, of the many fledgling arts organizations who are not just making our communities more beautiful, safer, healthier, and more cohesive, but genuinely stimulating business, jobs, and economic development for communities of all kinds. Much as we need to support small business, so too do we need to support small art organizations, as they are the future of the ecosystem, and must be nourished so that they can grow.

As culture and arts are such a powerful and acknowledged engine for economic growth in our communities, I urge the committee to support \$20 million in funding for culture in 2020. Investing in culture is the smartest and least expensive way of enlivening the economic vitality of every neighborhood.

Lastly, I want to inject a note of caution which is that, for all their wonderful activity, many of these small organizations are also fragile, and a push in the form of public support -- as with Arts Gowanus -- makes all the difference between growth and disappearance. Let's invest in our arts and culture, which is an essential investment in our collective future.



# COMMUNITY DEVELOPMENT PROJECT

## TESTIMONY

Of

**The Community Development Project  
at the Urban Justice Center**

**Preliminary Budget Hearing:  
“New York City’s Worker Cooperative Business Development  
Initiative: A Framework for Economic Equity”**

**Presented to:**

**New York City Council  
Economic Development Committee  
Hon. Paul Vallone, Chair  
Friday, March 15, 2019**

**Presented by:**

**Julian M. Hill, Staff Attorney/ Pro Bono Coordinator  
Community Development Project  
Urban Justice Center**

**123 William St., 16<sup>th</sup> Floor  
New York, New York 10038  
Phone: (646) 459-3009 | Fax (212) 533-4598**

## Introduction

Chairman Vallone, members of the Economic Development Committee –

Thank you for this opportunity to testify on (i) the social, political and moral benefits that worker cooperatives provide to their worker owners and our community and (ii) the critical nature of legal services and technical assistance, funded through the Worker Cooperative Business Development Initiative (“WCBDI”), for creating a New York City that centers equity, increases belonging and encourages democratically-run enterprises.

My name is Julian Hill, and I am a Staff Attorney at the Community Development Project, or CDP, at the Urban Justice Center. Among other things, CDP strengthens the impact of grassroots organizations in New York City’s low-income and other marginalized communities by providing legal support—we bring cases, publish community-driven research reports and provide technical assistance in support of racial, economic and social justice. For almost fifteen years CDP has collaborated with community organizations to help low-income New York City residents form worker-owned cooperative businesses.

## Impact of WCBDI on our City and our Work

I love my job, leaving a lucrative Wall Street law firm job to do it, and the WCBDI makes it possible for me to be here today. I enjoy demystifying complicated legal concepts so that my brilliant, mostly Black and Brown, mostly women, often immigrant, worker owner clients can do what they do best. They trust us to ensure that their legal structure reflects their values of cooperation.

*Woke Foods*, a women-owned Dominican and Afro-Caribbean food service cooperative, has trusted CDP since 2017 to provide free legal services. Incubated by Green Worker Cooperatives in the Bronx, Woke Foods mixes a consciousness around food and social justice, sourcing food from ethical farms and paying employees well above minimum wage. CDP has provided Woke Foods with legal support around corporate governance, labor law as well as corporate structure.

*High Mi Madre* has also trusted us with their legal matters. A woman of color-owned cooperative in the legal cannabis-based oil space, High Mi Madre is not only empowering women, some of whom may be sisters, cousins, daughters and friends of folks overincarcerated in this and other city’s jails and prisons as a result of the War on Drugs, to be at the forefront of a burgeoning industry, but also doing so in a way that honors labor and thinks through how to advocate for space and a voice for the most marginalized. CDP provides High Mi Madre with legal support around formation, corporate governance and other issues.

Whether we’re talking about language justice, access to birth doulas, accessible housing for young mothers or any number of issues affecting among New York’s historically most marginalized communities, many of our clients are tackling difficult social and



political issues while strengthening NYC communities and improving the lives and incomes of community members.

This year CDP has already taken on over 15 worker cooperative clients, partnering with several cooperative incubators and developers, including the Center for Family Life, Green Worker Cooperatives and The ICA Group.

#### Importance of Further Support

As the worker cooperative ecosystem grows, so too does the need for legal services and other technical assistance for ongoing support to already existing worker cooperatives. Since starting at CDP last year, I've seen my worker cooperative client base increase to over 20 clients, each with at least a few distinct matters. As one of primarily two organizations providing free legal services to worker cooperatives, and understanding that private law firm attorneys are billed out at hundreds of dollars an hour, we understand how expensive and hard it can be to find other options for legal services that are able to provide such niche worker cooperative expertise.

#### Conclusion

As such, we respectfully request the Council continue to support worker cooperatives, and enhance the Worker Cooperative Business Development Initiative to \$4.85 million dollars. Once again, thank you for the opportunity to testify.

**Written Testimony**  
**NYC Council Hearing**  
**Economic Development Committee**  
**March 15, 2019**

**Presented by:**

**Business Outreach Center Network**

My name is Katie Parks and I am here on behalf of the Business Outreach Center (BOC) Network, and our affiliate small business loan fund, BOC Capital Corp. CDFI.

BOC Network is a partner with New York City to advance equitable economic development strategies. Our focus on business technical assistance, customized small business training and access to capital is designed to advance entrepreneurship in largely immigrant and minority communities throughout New York City. We serve two industrial business areas and operate the first business incubator in the Bronx. BOC Network is a member of the New York City Worker Cooperative Coalition, providing practical business development assistance to the growing number of cooperative businesses. BOC leads equity-driven initiatives and delivers affordable capital to minority and women-owned businesses.

BOC Capital has loaned over \$25 million to date. We deliver NYC's Contract Finance Loan Fund, which has leveraged over \$24 million in contracts for small businesses since March 2017 with close to \$6 million in NYC Contract Financing loans. We see the impact of the Mayor's MWBE strategies that focus on MWBE participation combined with capital and TA required to succeed.

BOC is working to grow an ecosystem of support for small and minority-owned businesses. We operate the first business incubator in the Bronx where we run programs that promote quality jobs through small business development and cooperative business ownership.

As a result, BOC Network is supporting highly impactful business assistance programs that benefit minority and woman-owned businesses and promote new and innovative solutions including:

#### **Contract Finance Loan Fund**

The role of city agencies in aligning their practices with the Contract Finance Loan Fund cannot be overstated. Agencies that are reluctant to accommodate lending to MWBE's with contracts are creating barriers to their success. All agencies should be required to adopt best practices that enable MWBE's to utilize this unique capital resource that NYC has created.

Also, the Construct NYC program of NYC EDC provides an innovative model for creating a path to new opportunities for MWBE's. BOC Capital is privileged to partner with NYC EDC to deliver capacity-building training, TA to contractors that are prequalified for new contracts.

#### **Chamber on the Go and Small Business Initiative:**

The BOC Network and its members serving all five boroughs of New York City request the City Council to increase its investment in the Chamber on the Go and Small Business Initiative overall. We are requesting to increase the allocation to BOC from \$113,000 to \$190,000 which will increase our inclusive business development services and will also leverage federal dollars.

#### **Worker Cooperative Business Development Initiative:**

BOC joins the Worker Cooperative Coalition to request the City Council to add resources that will enable expansion of the Initiative to \$4,854,000 from \$3,609,000. As this initiative and ecosystem progress, the worker-cooperative movement promises to broaden throughout NYC through business ownership transitions and social venture models.

New York City Council has played a strategic role in supporting initiatives to save and create jobs, to encourage neighborhood business development, and to support strategies for equitable local economies and MWBE access to contracts. We look forward to our continued work together towards these shared goals.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 3/15/2019

(PLEASE PRINT)

Name: Katie Parks

Address: 85 S Oxford St

I represent: Business Outreach Center Network

Address: 85 S Oxford St

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Date: 3/15/19

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Name: EVE MOROS ORTEGA

Address: 304 11th Street

I represent: ARTS GOWANUS / NY for Culture & Arts

Address: \_\_\_\_\_

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Name: AILEEN FUCHS

Address: 30 E BUCHANAN ST, ST NY 10701

I represent: SNUG HARBOR CULTURAL CENTER

Address: BOTANICAL GARDEN

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 in favor  in opposition

Date: 03/15/19

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Name: ALINE BILER - WORKERS JUSTICE PROJECT

Address: 365 BROADWAY, BROOKLYN, NY 11211

I represent: WORKERS JUSTICE PROJECT

Address: 365 BROADWAY, BROOKLYN

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 in favor  in opposition

Date: \_\_\_\_\_

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Name: Carlyn Cowen

Address: \_\_\_\_\_

I represent: Chinese American Planning Council

Address: \_\_\_\_\_

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 in favor  in opposition

Date: 03-15-2019

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Name: Tasfia Rahman

Address: 50 Broad St

I represent: Coalition for Asian American Children & Families

Address: \_\_\_\_\_

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in favor  in opposition

Date: 3/15/19

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Name: Mariela Linda Diaz

Address: \_\_\_\_\_

I represent: Brooklyn Stone and Tile

Address: Brooklyn Navy Yard

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in favor  in opposition

Date: 3/15/19

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Name: Sadaf Syal

Address: 341-72 1st Ave St + 1st floor NY 11277

I represent: NYC NOWA

Address: \_\_\_\_\_

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in favor  in opposition

Date: 3/15/19

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Name: Julian Hill

Address: \_\_\_\_\_

I represent: Urban Justice Center CDP

Address: \_\_\_\_\_

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in favor  in opposition

Date: 03/15/2019

(PLEASE PRINT)

Name: Eric Kim

Address: #20 37-17 Union St, 2<sup>nd</sup> floor, Flushing, NY

I represent: Asian American Federation

Address: 120 Wall St, 9<sup>th</sup> fl, New York, NY

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Date: \_\_\_\_\_

(PLEASE PRINT)

Name: James Katz

Address: \_\_\_\_\_

I represent: ADICEDC

Address: \_\_\_\_\_

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in favor  in opposition

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(PLEASE PRINT)

Name: James Patchett

Address: \_\_\_\_\_

I represent: DOYCEDC

Address: \_\_\_\_\_

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in favor  in opposition

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(PLEASE PRINT)

Name: Kim Viccari

Address: \_\_\_\_\_

I represent: DOYCEDC

Address: \_\_\_\_\_

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