



## Legislation Text

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### Res. No. 45

Resolution calling upon the New York State Legislature to pass, and the Governor to sign, A1361/S458, in relation to defining community significant projects and including such projects in the excelsior jobs program.

By Council Member Avilés

Whereas, The New York City Housing Authority (NYCHA) is the largest public housing authority in North America, providing homes for approximately 535,686 authorized residents in over 177,569 apartments across 335 developments in public housing, Section 8 and PACT/RAD developments; and

Whereas, More than half of the affordable housing in New York City that is accessible to residents with incomes at or below 30% of the area median income is located within NYCHA developments; and

Whereas, Residents of NYCHA have spoken to the need for increased employment opportunities, and some have testified at City Council hearings that more residents should be trained or hired to perform necessary maintenance and repair work on NYCHA campuses; and

Whereas, Section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended by the Housing and Community Development Act of 1992, sought to ensure that employment and economic opportunities generated by HUD financial assistance, such as training and contracting, were directed towards low- and very low-income persons, who are more likely to live in public housing, to the greatest extent feasible; and

Whereas, Section 3 workers are defined as those whose income for the previous calendar year is below the income limit threshold that is established by HUD, a worker that is employed by a Section 3 business, or a worker that has participated in the YouthBuild community-based pre-apprenticeship program for at risk youth that dropped out of high school between the ages of 16 to 24; and

Whereas, Any developers, owners, contractors, or subcontractors that receive HUD funding are required to make their best efforts to ensure either that twenty five percent of the total labor hours worked by all workers within that fiscal year are worked by Section 3 workers, or no less than 5 percent total labor hours worked by all workers employed in the fiscal year are worked by individuals that have resided in public housing for the past five years, are section 8 residents, or participants in the YouthBuild program; and

Whereas, In 2001, in an effort to bolster the Section 3 program, NYCHA created the Resident Employment Program, requiring that at least 15% of the total projected labor cost of capital and modernization contracts greater than \$500,000 be dedicated to hiring residents who live in public housing; and

Whereas, Despite these efforts, NYCHA's record of meeting their Section 3 goals remains mixed, with the percentage of Section 3 hires dropping from over 77% in 2016 to less than 22% in 2020; and

Whereas, The objective of the Excelsior Jobs Program is to incentivize local businesses to expand in New York, and new businesses to relocate to New York, while maintaining a stringent accountability framework in order to guarantee that businesses honor job and investment commitments; and

Whereas, Firms in the Excelsior Jobs Program can qualify for five fully refundable tax credits over a benefit period up to 10 years, provided they meet and maintain certain job and investment thresholds; and

Whereas, Under the Excelsior Jobs Program, eligible businesses can qualify for credits worth 6.85% of wages per net new job created, or up to 7.5% of wages per net new job for qualified green projects, 2% of qualified investments, or up to 5% for investments in qualified green projects, or childcare services, or 6% of net new childcare services expenditures for operating, sponsoring, or directly financially supporting a childcare services program; and

Whereas, A1361, sponsored by Assembly Member Latoya Joyner, and S458 sponsored by State Senator Luis Sepulveda, would add 'community significant projects' to the list of entities eligible to participate in the Excelsior Jobs Program, unlocking substantial financial incentives for qualifying businesses; and

Whereas, A1361/S458 would define community significant projects as those in which businesses are

creating or retaining current jobs, with emphasis on employment and training of current public housing residents, including businesses that are currently located or expected to be located in existing leased space in a public housing development; and

Whereas, Businesses that make significant qualified capital investments to start a business, improve services and working conditions for an existing business located in a public housing space, and create at least five new net jobs, retain current jobs or make qualified capital investments to leased spaces in public housing developments, would also qualify as community significant projects; and

Whereas, A1361/S458 would also authorize the Commissioner of Economic Development to promulgate regulations determining additional eligibility criteria businesses must meet in order to be considered community significant projects, including those that incentivize child care providers, businesses that support the needs of the workforce residing in public housing, and those that support the social and health needs of residents in public housing; and

Whereas, These regulations would help ensure that public housing residents, and services or programs being offered to those residents by either the public housing authority or other onsite entities, are not displaced in order to locate or expand a business in a public housing development; and

Whereas, A1361/S458 would provide direct financial incentives to businesses that qualify as community significant projects for training, employing, and retaining NYCHA residents, increasing both economic opportunities and access to services for individuals living in public housing; therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to sign, A1361/S458, in relation to defining community significant projects and including such projects in the excelsior jobs program.

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