ONE CITY ONE FUTURE

A Blueprint for Growth That Works for All New Yorkers

ONE CITY/ONE FUTURE ENDORSERS

ACORN

Bedford Stuyvesant Restoration Corporation

Bronx Initiative for Energy and the Environment

Bronx Overall Economic Development Corporation

Center for New York City Neighborhoods

Center for Working Families

Church of St Paul & St Andrew

Community-Based Planning Task Force

Community Service Society

Cypress Hills Local Development Corporation

Domestic Workers United

Downtown Art

Drum Major Insitutue

EWVIDCO

Fifth Avenue Committee

Fiscal Policy Instiute

Garment Industry Development Corporation

Good Jobs New York

Habitat Map

Hotel & Motel Trades Council

Housing Here & Now

Insight Center for Community Economic Development

Judson Memorial Church

LaLuna Consulting Services

Mason Tenders District Council PAC

Metro NY Healthcare for All

Morningside Heights/West Harlem Recycling Coalition

Myrtle Avenue Brooklyn Partnership

Neighborhood Economic Development Advocacy Project

Neighbors Together

New Immigrant Community Empowerment

New York City District Council of Carpenters

New York Immigration Coalition

New York Industrial Retention Network

New York Lawyers for the Public Interest

NYC Employment & Training Coalition

NYC Environmental Justice Coalition

Pratt Area Community Council

Queens Community House

Right to the City:

- *CAAAV: Organizing Asian Communities*
- *Community Voices Heard*
- *Center for Social Inclusion*
- *FIERCE*
- *Families United for Racial and Economic Equality*
- *Good Old Lower East Side*
- *Jews for Racial & Economic Justice*
- *Make the Road New York*
- *Mothers on the Move*
- *NYC AIDS Housing Network/ VOCAL NY Users Union*
- *Picture the Homeless*
- *Tenants & Neighbors*
- *UNO of St. Nicholas CDC*
- *Urban Justice Center*
- *WE ACT for Environmental Justice*

Restaurant Opportunities Center-NY

Retail, Wholesale, and Department Store Union

Service Employees International Union, Local 32BJ

South Bronx Overall Economic Development Corporation

St. Nicholas Neighborhood Preservation Corp.

United Food and Commerical Workers, Local 1500

UNITE HERE

UPROSE

Urban Agenda

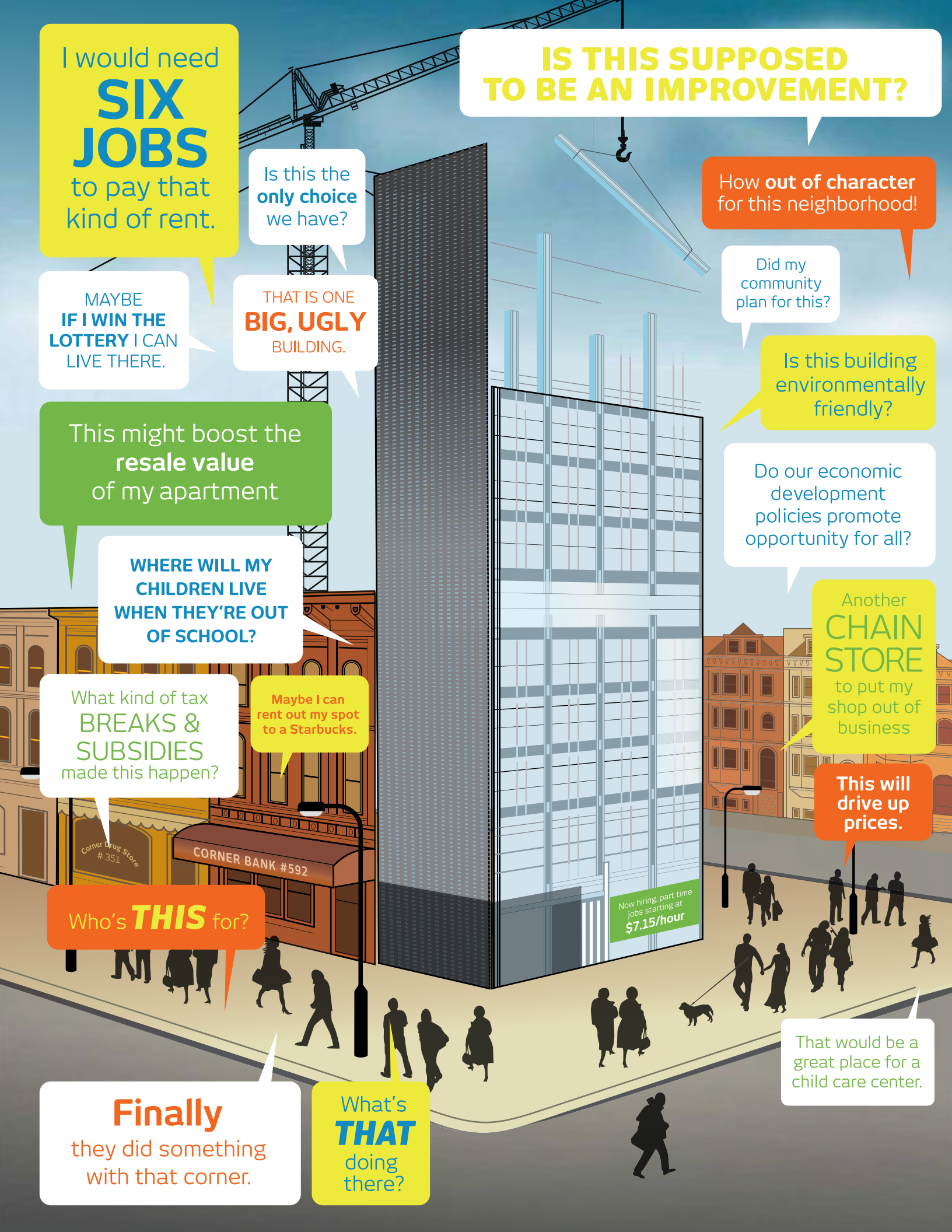
Women's Housing & Economic Development Corporation

Youth Ministries for Peace & Justice

The development of this blueprint has been an exceptionally collaborative enterprise, involving hundreds of people from dozens of organizations. It was conceived of and led by the National Employment Law Project (originally by the Brennan Center for Justice's Economic Justice Project, which merged with NELP in 2008), New York Jobs with Justice, and the Pratt Center for Community Development.

ONE CITY
ONE FUTURE

A Blueprint for Growth That Works for All New Yorkers


I would need SIX JOBS to pay that kind of rent.
IS THIS SUPPOSED TO BE AN IMPROVEMENT?
Is this the only choice we have?
How out of character for this neighborhood!
MAYBE IF I WIN THE LOTTERY I CAN LIVE THERE.
THAT IS ONE BIG, UGLY BUILDING.
Did my community plan for this?
Is this building environmentally friendly?
This might boost the resale value of my apartment
Do our economic development policies promote opportunity for all?
WHERE WILL MY CHILDREN LIVE WHEN THEY'RE OUT OF SCHOOL?
Another CHAIN STORE to put my shop out of business
What kind of tax BREAKS & SUBSIDIES made this happen?
Maybe I can rent out my spot to a Starbucks.
This will drive up prices.
Corner Drug Store # 351
CORNER BANK #592
Now hiring, part time jobs starting at $7.15/hour
Who's THIS for?
That would be a great place for a child care center.
Finally they did something with that corner.
What's THAT doing there?

ONE CITY/ONE FUTURE

A Blueprint for Growth That Works for All New Yorkers

This Blueprint for Economic Development is the product of four years of collaboration by civic leaders, neighborhood advocates, community development organizations, labor unions, local development corporations, environmentalists, and others to make economic development work for New Yorkers — to improve economic opportunity, environmental sustainability, and the quality of life in our city.

Ours is an ambitious new vision for economic development, in which growth delivers living wage jobs, affordable housing, environmental sustainability, and livable neighborhoods. It is a vision for shared prosperity that puts the needs and voices of communities front and center. And it is a vision that is attainable, using concrete policies that can be implemented here and now.

As it stands now, New York City's economic development policies are narrowly designed to focus on growth — growth of population, the tax base, jobs, infrastructure, housing, and office buildings. To be sure, growth has provided a vital source of revenue and has helped make us one of the most vibrant, exciting global cities of the 21st century. Unfortunately, that same growth has also contributed to an extreme and intensifying level of inequality that is undermining the social and economic fabric of our city. The gap between the wealthy and everyone else is now so wide that a city famed for its diversity and tolerance must confront the implications — moral as well as practical — of having the majority of families straining to realize their dreams while a minority prospers.

"Ours is an ambitious new vision for economic development, in which growth delivers living wage jobs, affordable housing, environmental sustainability, and livable neighborhoods."

Every year, the number of working poor continues to grow alongside an unprecedented concentration of wealth, while the middle class is increasingly squeezed — with the result that the wealthiest fifth of households now takes in 63 percent of all income in New York City.[1] Those who can afford rising rents displace those who cannot — while close to half of the city's tenants are paying too much of their income just to hang onto their apartments. Some neighborhoods benefit from the creation of new open spaces, while others shoulder our environmental burdens — with the result that their children have double the normal rate of asthma.

Economic development has not helped to reverse these trends. In fact, it has too often contributed to them. Whether in the form of large subsidized real estate projects, incentive packages for private developers, or rezoning for residential development without affordable housing guarantees, economic development policies continue to exacerbate the growth of low-wage jobs in a high-cost city; to escalate real estate prices, thus driving out manufac-

turers, small businesses, and affordable housing; to strain an aging and inadequate infrastructure; and to take place without meaningful community input and planning.

From downtown Brooklyn to downtown Jamaica, on the waterfronts of Greenpoint-Williamsburg and Stapleton and Long Island City and Hudson Yards, from the South Bronx to Lower Manhattan, the City has used zoning changes, subsidies, and tax abatements to promote luxury residential and office development, along with the low-wage service sector jobs that are currently the norm in those industries. Neighborhoods across the city have seen an enormous influx of private investment, but too often those investments have led to displacement of residents and businesses, and left neighborhoods with diminished architectural and cultural character. Planning excludes all but a few insiders, lacks accountability and transparency, and relegates the rest of us to the role of reactionaries and observers.

In short, New York is being transformed into a city geared to wealthy residents, investors, and visitors, rather than one where families, workers, and neighbors can live and prosper. For most New Yorkers it's simply harder and harder to get by, whether because of stagnant wages, the super-rich bidding up housing prices, or because glamour retail is displacing affordable shops.

Smart economic policies must be tailored to fit the times. Some of what makes sense during a downswing in the business cycle may be different from what makes sense in an upswing. But looking forward, through good times and bad, New Yorkers must make a commitment to reversing the extraordinary inequality that characterizes our city today. If New York City stays on the same course it has followed for the past three decades, it is destined to create an even more perilous economy, in which wealth is ever more concentrated at the top and growing numbers of New Yorkers cannot get by financially. More than a moral failure, it could be an economic disaster.

Development as currently practiced has simply become intolerable for many New Yorkers, and it is creating new problems even as it addresses others. We hear it in the outrage against major development projects, from the Columbia University expansion to Atlantic Yards. It comes out in community board rejections of neighborhood rezonings. Even congestion pricing, a policy proposal with great potential to promote a better quality of life for large numbers of New Yorkers, ran aground on political opposition.

The popular backlash against development is no accident. Simply put, status quo development is no longer working for most New Yorkers. Whether they live next door to a new condo tower or stadium, are seeking their next job after a stint at Duane Reade, are enduring a longer commute, or are looking for a place to live after moving out from mom's house, residents of the city can no longer see what's in it for them.

A New Economic Development Framework

This blueprint describes how New York City can fuse growth and shared prosperity — to strengthen key sectors of the economy, enable people to find jobs that pay enough to support their families, and support vibrant, affordable, and diverse neighborhoods that provide the services and quality of life that all families deserve.

Our policy recommendations are concrete, wide ranging, and, most important, interconnected. We cannot have affordable housing in New York City without also increasing workers' wages. We cannot expect to build a greener city without targeting public transportation investments to the neighborhoods where they're most urgently needed. We cannot expect to reap community benefits from development without significant and sustained community input into the shape that development takes. New York City needs to take a holistic and broad view of what "sustainability" means.

"Maintaining our city's economic engine is essential, but it can and should be done within a social contract that promises to share prosperity. Developers and businesses that benefit from public actions and subsidies must start to do their fair share."

In short, maintaining our city's economic engine is essential, but it can and should be done within a social contract that promises to share prosperity, increase opportunity, and fully involve all stakeholders in determining the city's future. The status quo is not inevitable. The City and state have significant power to reorient their economic development policies. Developers and businesses that benefit from public actions and subsidies must start to do their fair share. As a city, we can leverage development and correct for systemic economic inequities to ensure that growth works for all New Yorkers.

Specifically, we believe that New York's economic development policies should be driven by the following goals. They should:

Create and maintain good jobs for a strong economy.

Jobs

Bridge the income gap by ensuring that growth creates jobs with good wages and benefits for New Yorkers at all levels of education. Open up access to opportunities for the underemployed and unemployed. Support union jobs as a tool for advancing economic opportunity. Plan for businesses' workforce needs and help train workers for them. Maintain and create affordable space for businesses in a diverse economy.

Make and keep housing affordable.

Housing

Preserve and create safe, decent, affordable housing for the millions of New Yorkers who need it. Don't allow rising prices and new development to drive out long-time residents. Create genuinely mixed-income housing in locations served by public transportation. Make sure new affordable housing development creates good jobs, is built responsibly, and strengthens communities by offering neighborhood amenities.

Grow the city greener.

Environment

Promote recycling, conservation, green buildings, green roofs, street trees, and clean energy, and act boldly to reduce car and truck traffic — so we can do our part to combat climate change, help New Yorkers stay healthy, and create quality jobs in the growing green economy.

Strengthen local quality of life, neighborhood character, and diversity.

Neighborhood

Bring the public into the planning and development decision-making process. Preserve our rich, diverse mix of people and cultures by focusing on the things that make neighborhoods work — public spaces, small businesses, banks, schools, health care, child care, and community and cultural centers. Make sure that all neighborhoods carry their fair share of growth's benefits (like parks, open space, and transportation options) and burdens (like power plants and bus depots).

Taking Leadership

Cities across the country and around the world are making this shift. London has grown to again rival New York City as a financial power while investing far more in building a more equal and sustainable city, and challenging its private employers to pay a living wage. The economic development agencies of Los Angeles and San Francisco now see as their primary goals not simply growth, but growth whose benefits are broadly shared and that improve the quality of life for all residents.

New York City has historically been a leader in using public policy to create opportunity. From its world-class subway to its unparalleled public hospital system to its hundreds of thousands of units of publicly subsidized affordable housing, the city joined together to create extraordinary institutions for all its residents. This has included not just physical and social infrastructure, but also public policies, like rent regulations and prevailing wages, that create a fair playing field. It is time for our city to rise to this challenge again.

New York's current economic development policies are outmoded legacies of a period of economic crisis in the 1970s, when the biggest challenge facing the city was to cease the flight of jobs and investment. These policies were designed to maximize growth and the economic activity that accompanies it. But in the 21st century, New York stands in a very different place. Its strength as a global city can be leveraged to create opportunities for families in every neighborhood, of every background, at all income levels. PlaNYC (see sidebar) has set out an ambitious and creative vision to transform New York City's environment. To shape an economy that works for the 21st century, New Yorkers must similarly tap into its deep wells of ambition, creativity, assets, and political will.

Getting from here to there will require bold action. We will need to raise standards for government subsidies and contracts, to ensure that public action promotes good jobs and affordable housing. We will need to invest in the workforce, neighborhoods, community assets, and quality jobs. And we must reform the processes of economic development and land use planning to make communities more genuine partners, increase transparency and accountability, and diversify the economy.

With these strategies, it is possible to keep and enhance what makes New York City a great place to work and live. We *can* make growth work for all New Yorkers.

New York: PlaNYC

New York City has launched an ambitious initiative aimed at achieving one of this blueprint's core goals: "Growing the City Greener." Mayor Michael Bloomberg's "PlaNYC 2030" comprehensive sustainability plan announced in 2007 has much to offer. Many of its policies, currently being implemented or proposed for the near future, align with the One City/One Future vision. They include:

- Reducing greenhouse gas emissions
- Greening the cityscape
- Creating incentives for energy efficiency retrofits
- Preserving affordable housing
- Implementing bus rapid transit
- Promoting green construction
- Expanding (voluntary) inclusionary zoning

But ambitious as it is, PlaNYC is only a starting point. The Bloomberg Administration's willingness to invest in and set standards for sustainability is a crucial step for our city's long term success. But the city is not yet using those same tools to ensure that "green jobs" are good jobs, to guarantee that affordable housing is created and preserved in growing neighborhoods, and to strengthen neighborhood quality of life amidst development. Thanks in part to PlaNYC, however, the question for New York City today is no longer whether economic development policy can be harnessed to achieve broader goals. Instead, the challenge for us all is how we as a city should use our power over development to promote growth that works for all New Yorkers.

THE BIG SQUEEZE

By many measures New York City is thriving more than it ever has. It now has more jobs and more residents than at almost any other time in its history. Even while the rest of the nation contends with a bursting real estate bubble, New York City is one of the few places in the U.S. where housing prices have largely held their value. The present downturn will still take a severe toll on New Yorkers, putting many at risk of losing their jobs or homes. But overall, most predictions are that we will weather the storm and emerge with our strong status in the global economy intact.

But what has prosperity bought us? As our city has grown and become more popular, with more people and commerce competing for space, jobs, and other resources, the cost of living has soared, outpacing most New Yorkers' ability to pay, sparing no one but the wealthiest.

Housing costs have increased sharply, forcing families across the income spectrum to make agonizing choices. Some sacrifice children's higher education funds to pay rent on adequate living space. Others cash in on home equity to repair a house that remains their only chance to stay in their neighborhood. Entire families live in studio apartments, or move frequently, or endure long commutes. The spiraling costs of health care, energy, and higher education only intensify the squeeze.

Growing numbers of workers are juggling multiple jobs, shifting to temporary work, or working off the books and in unregulated conditions. As our city changed from an industrial to a post-industrial city, we lost hundreds of thousands of middle-class jobs that were accessible to high school graduates. Workers without a college education have had to turn to different opportunities — above all, in the fast-growing service sector. These new jobs, in industries ranging from retail and restaurants to building security and child care, are often not unionized, pay low wages, and rarely offer health benefits.

But the big squeeze is not just economic. A changing physical environment in New York City is making many neighborhoods less livable — clogged with traffic, dominated by chain stores, and inhospitable to any venture, from a child care center to a skating rink, that can't pay market rates. We all hear and live these stories. From the dinner table to barber shops to the blogosphere, people all over the city are talking about rising rents, unaffordable health care, jobs that a family can't live on, and beloved neighborhoods being lost to a tidal wave of development.

New Yorkers' ability to enjoy a decent quality of life is being squeezed — at home, at work and in our communities.

Squeezed at Home

Already subject to some of the highest housing prices in the country, New York City renters have been slammed with an excruciating conflict: while rents have increased to record heights, renters' incomes are actually declining.

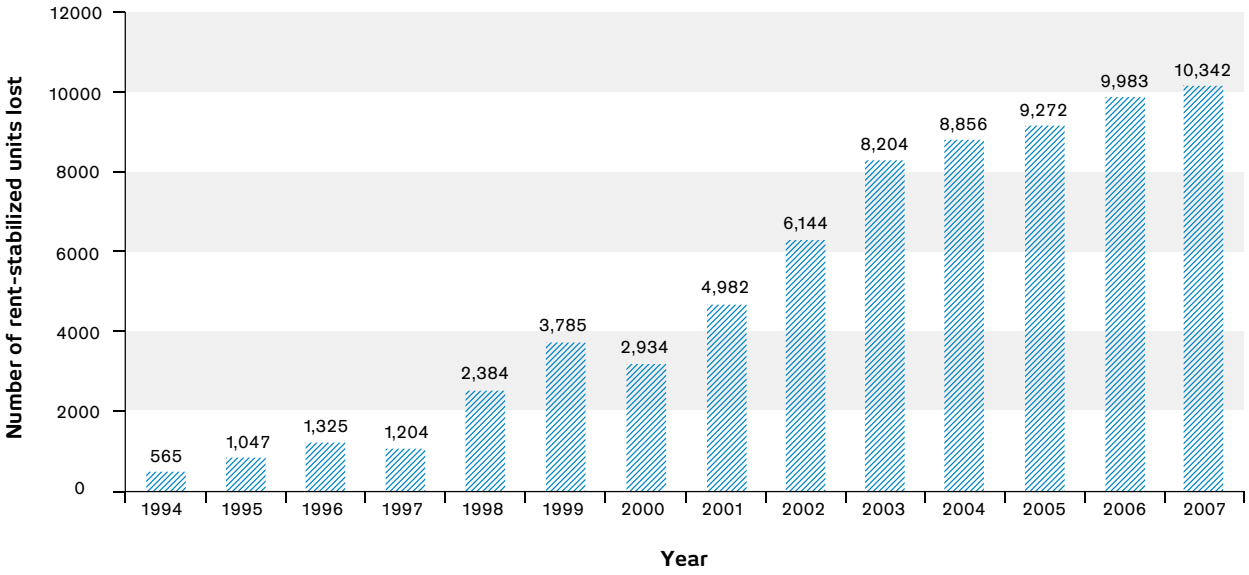
Between 1999 and 2005, the median income of renters declined nearly 6 percent, while the median rent increased by almost 9 percent.[2] Affordable apartments became significantly harder to find, as the number of units renting for under $1,000 dropped by more than 536,000.[3]

Close to half of New York's tenants (42 percent) are now carrying a high housing cost burden, meaning they pay more than one-third of their income for rent every month.

More than a quarter are paying more than half of their income for housing.[4] The impact is being felt across the city, by everyone from cashiers, home health attendants and janitors to school bus drivers, rookie teachers and nurses' aides (see "Housing Costs Out of Reach"). Citywide, the median rent is $945. But among those who have moved in the last 15 months, and therefore reflect the prospects of New Yorkers looking for an apartment today, the median rent is $1,316.[5]

In response to strong advocacy from community organizations and citywide policy groups, the Bloomberg Administration has sought to help create and preserve affordable housing. The City has also committed billions in subsidies and other resources that developers can use to create or preserve low-cost units. Incentives in the zoning code and expanded property tax breaks encourage developers to include below-market-rate units in new development.

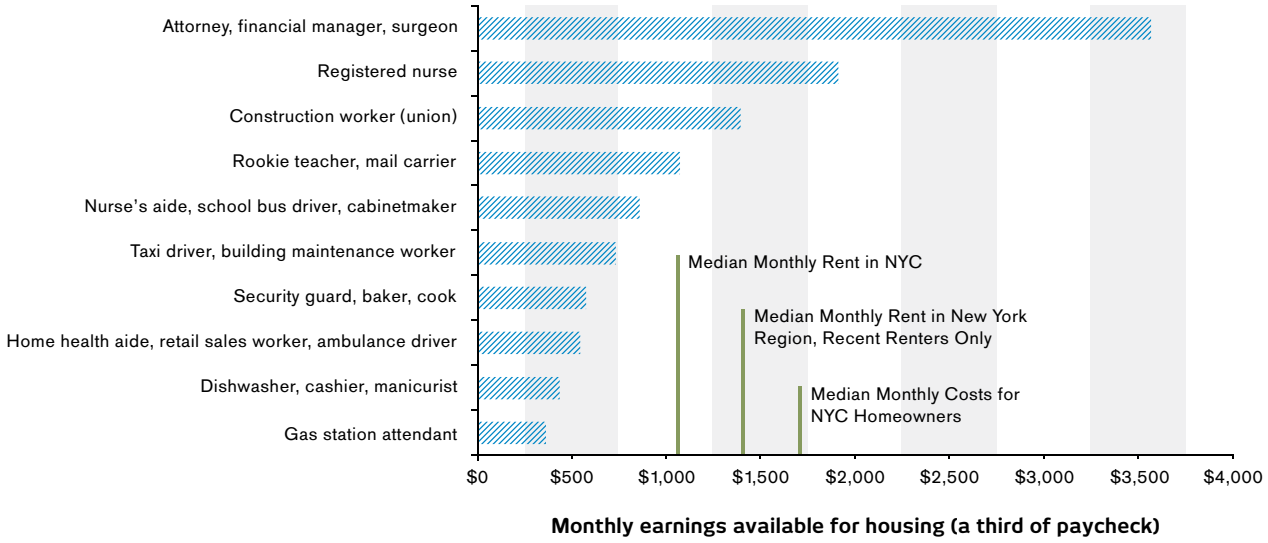
Loss of Affordable Housing



In the last 15 years, more than 71,000 rent-stabilized apartments have become deregulated once rent reached $2,000 a month, and 100,000 more went to market rate for other reasons.

Sources: NYS Division of Housing and Community Renewal (DHCR), Office of Rent Administration, annual registration data.

Housing Costs Out of Reach



For many New Yorkers, housing costs much more than they can afford.

Sources: Authors' analysis of HUD fair market rent, American Community Survey, and data from the Occupational Employment Statistics.

Yet the city is still losing affordable housing much more rapidly than it is being created. The Administration's "New Housing Marketplace" plan promises to create or preserve 95,000 affordable units by 2012. So far, it has produced about half that number. However, in just the three years from 2002 to 2005, the number of rental units in the city affordable to a family earning up to $56,000 fell by 205,000.[6] These included significant numbers of apartments originally built with government subsidies under the Mitchell-Lama and Section 8 programs, as well as formerly middle-income housing like Stuyvesant Town.

"New York City is losing affordable housing much more rapidly than it is being created. In just three years beginning in 2002, the number of apartments affordable to the typical family fell by 205,000."

The widening mismatch between incomes and housing costs has affected homeowners as well. Stagnant wages coupled with sharply rising real estate values led owners of one- and two-family homes to cash in on rising home equity, whether to pay for living expenses or to maintain aging structures. Excessive fees and high interest rates made those loans precarious to begin with; the collapse of the subprime lending market rendered refinancing impossible for borrowers with weak credit scores, and has left these borrowers with nowhere to turn. New York homeowners behind on their mortgage payments had nearly 15,000 notices filed against them in 2007, double the number in 2005[7]. These foreclosures are causing severe problems for tenants, too. Of the 30,000 families in those buildings, half are renters who are now at risk of eviction.[8] Personal bankruptcy filings in the city shot up nearly 70 percent over the past year, to more than 10,500. [9]

Squeezed at Work

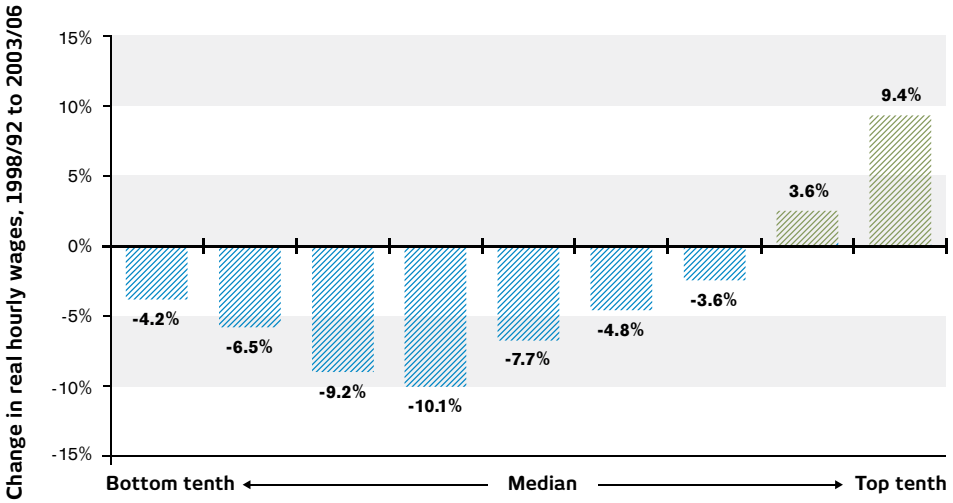
"Adjusted for inflation, the wages workers earn have been declining. The typical New Yorker has seen a pay cut of nearly 8 percent since the early 1990s."

If New York City were a country, it would rank as the second most unequal in the world, below only Namibia.[10] Over the last two decades, the wealthiest 20 percent of New York's households have seen their incomes rise by more than a third. Everyone else has barely budged — and the gap keeps widening every year.

New York's extreme gap between the rich and poor is not just unfair — it actually accelerates other problems. That's because high incomes at the top bid up the price of any limited resource, housing most of all, but also education, health care, retail goods, and recreation. As New York's wealthiest combine apartments and convert SROs into private homes, the city's base of affordable apartments shrinks and homeless shelters swell with a record number of residents.

But New York's growing class of super-wealthy is only part of the story. The rest of us — the middle class, the working class, the working poor — are treading water, feeling squeezed, and in many cases losing real ground. While household incomes have risen slightly, those gains are something of a mirage: they've happened because more household members have gone to work, for more hours every week. Adjusted for inflation, the wages workers earn for each hour have actually been declining. The typical New Yorker has seen a pay cut of nearly 8 percent since the early 1990s (see "New Yorkers' Incredible Shrinking Paychecks").

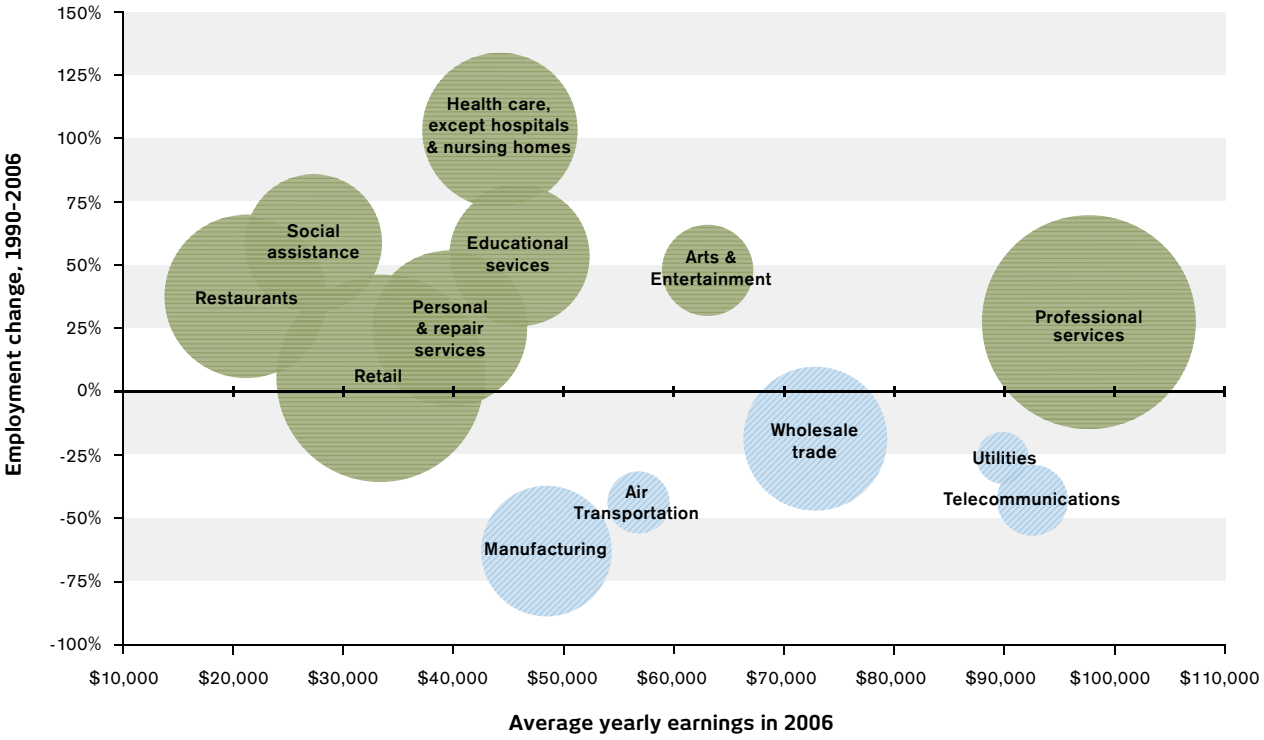
New Yorkers' Incredible Shrinking Paychecks



For all but the wealthiest fifth of New Yorkers, wages have declined since the late 1980s.

Source: Analysis of the Current Population Survey conducted by the Fiscal Policy Institute. Wages are adjusted for increases in the cost of living.

The Decline of Middle-Class Industries



Most growing industries in New York City pay low wages, while those that are shrinking pay middle-class wages.

Source: Authors' analysis of data from the Quarterly Census of Employment and Wages and the Current Employment Statistics survey. Bubble size represents employment in 2006.

A look at job options, and their corresponding pay, shows why. For example, the city added 51,600 restaurant jobs between 1990 and 2006, bringing employment in those positions to more than 191,000, while 60 percent of all of New York's manufacturing jobs disappeared — just 106,000 remain. Manufacturing jobs pay more than $48,000 a year on average. Restaurant jobs pay just $22,887. The same pattern holds across the job market (see "The Decline of Middle-Class Industries"). The average annual earnings for sectors that have been shrinking (including manufacturing, wholesale trade, and telecommunications) are more than twice as high as those for sectors that have been growing (like retail, restaurants, and home health care).[11]

Those jobs aren't just paying wages too low to support a family. New York's low-income workforce cannot count on health or retirement benefits, paid time off, or the right to unionize. Many employers illegally misclassify workers as "independent contractors."[12] Poor enforcement of labor laws has led to widespread off-the-books employment characterized by less than minimum wage, denial of overtime pay, and work off the clock and in dangerous, unregulated environments.[13] As a result, working families made up close to half of poor households in the city in 2005, up from less than a third in 1990.[14]

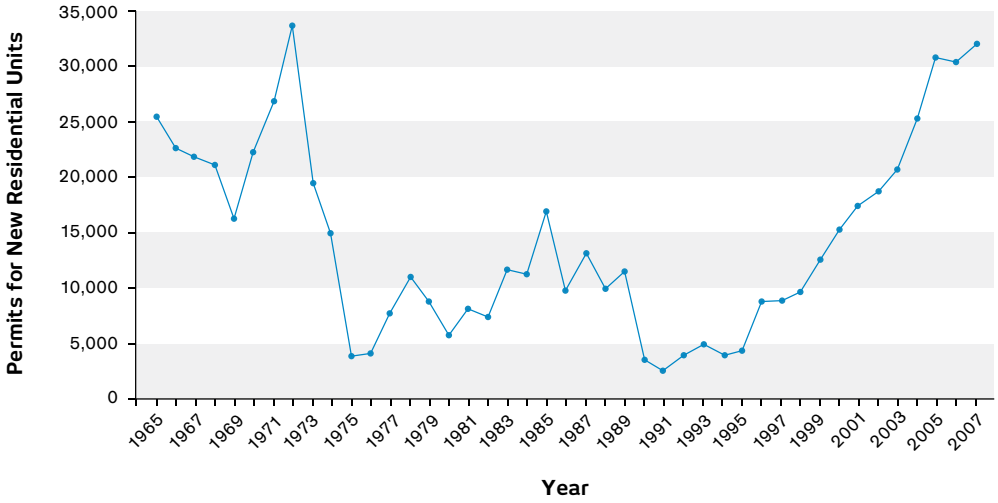
Squeezed in Our Communities

Find a stoop, anywhere in New York City — it doesn't matter if it's in Williamsburg, Fort Greene, Sunset Park, the Lower East Side, Ridgewood, or Morrisania — and you will hear the anxiety, often verging on anger. What is happening to our neighborhoods? Who is making these decisions? And why don't our opinions seem to count?

Over the last 13 years, new construction surged to levels not seen since the early 1960s, reaching parts of the city where it was nearly unthinkable just a few years earlier (see "Permits for New Residential Units"). In some cases, new buildings and development have been welcome, replacing abandonment and blight and resulting in more enjoyable places to live. In other cases, however, communities have faced an invasion of new construction at a scale badly out of context for the neighborhood, ushering in steeper rents and leading to displacement of long-term tenants and small businesses.

Along with new construction arrives a sense that the our neighborhoods are giving way to homogenized, privatized places — a trend often exacerbated by public subsidies that give an extra edge to chain store retail. Neighborhood history and culture are at risk, as storefronts, cultural spaces, and street life in places such as Harlem and Chinatown begin to lose their character. Extreme commercial rents are discouraging the very kinds of enterprises that

New Construction Through the Roof



New York has seen an explosion of new building, but communities see more burdens than benefits.

Source: New York City Department of Housing Preservation & Development

make a neighborhood thrive, including independent retailers, community and arts centers, and small manufacturers. Entire neighborhoods are becoming less economically diverse, while areas of concentrated poverty are becoming poorer.[15]

"For neighborhoods that remain ungentrified, from East New York to Fort Washington to South Jamaica to Longwood, quality of life is being undermined by poor conditions."

For neighborhoods that remain ungentrified, from East New York to Fort Washington to South Jamaica to Longwood, quality of life is being undermined by poor conditions.[16] While citywide the number of dilapidated units is at a historic low, the quality of housing in low-income areas and communities of color lags dangerously behind the rest of the city, as many landlords have deferred basic maintenance.[17]

These same communities are also seeing continued environmental deterioration. New York has been assembling a necklace of new parks and recreational facilities, from the High Line to the Williamsburg and Brooklyn Heights waterfronts — but these are spaces financed with the help of luxury real estate development and private contributions that are not typically available for low-income neighborhoods. The same is true of brownfields cleanup, which with the encouragement of a state tax credit is overwhelmingly being used to make way for upscale housing, retail, and office space.[18] And most of the major transit investments promised in the Bloomberg administration's PlaNYC 2030 are focused on creating access to new office and luxury housing developments. By contrast, low-income neighborhoods and communities of color are seeing only limited improvements to their landscapes, open space, transit, and neighborhood amenities, and continue to be burdened by brownfields, waste facilities, and persistent pollution from traffic congestion.

vs.

Yankees Kingsbridge

The redevelopment of two Bronx landmarks shows economic development policy in action – and a stark choice between an approach that strengthens neighborhoods and one that drains their resources.

Yankee Stadium's redevelopment is proceeding with a half billion dollars in government support, despite local opposition, the destruction of community parks and a delayed and clouded process for distributing community benefits. The jobs in the new Yankee Stadium will be union, but in other ways the project falls far short of community needs. It's a glaring example of how most economic development gets done in New York City.

Kingsbridge Armory is in the process of becoming a retail and recreation center. Local groups have pressed for living wage jobs, community spaces, and other benefits, working in partnership with city officials. It offers a model for how New York could do development differently.

COMMUNITY PARTICIPATION

Community Board opposed.

Proactive community planning laid out development priorities, including schools and living-wage jobs.

PRESERVATION

No – Yankee stadium demolished. 25 acres of parks destroyed.

Yes – reuse of historic armory as part of 21st century shopping / entertainment center.

NEGOTIATION PROCESS

Elected officials negotiated privately for community benefits on behalf of Bronx residents.

Task force of community residents, religious leaders, labor unions, and elected officials collaborated with NYC Economic Development Corporation in drafting request for proposals for turning armory into shopping and entertainment complex.

PUBLIC FUNDS COMMITTED

$500m in tax breaks, reduced interest, infrastructure improvements and grants.

$30 million for repairs to armory.

CONDITIONS SET BY CITY

None.

Developers asked to require businesses to pay at least $10 an hour and hire locally; use environmentally friendly construction; preserve historic structure.

PRIVATE INVESTMENT

$1.3 billion from Yankees

$310 million from Related Companies

COMMUNITY BENEFITS

$800,000 a year for Bronx organizations, plus sports equipment and game tickets.

Negotiations currently underway. Kingsbridge Armory Redevelopment Alliance seeking community benefits that include living wage jobs; support for organizing workers (labor peace agreement, card check neutrality, project labor agreement); and community access to facilities, affordable recreation, and opportunities for independent businesses.

WHAT'S LEFT OUT

Community participation in benefits process.

Department of Education has rebuffed community demand for new schools on armory grounds.

MAKING GROWTH WORK FOR NEW YORKERS:

A Blueprint for Economic Development

Most New Yorkers have come to accept the Big Squeeze as a natural feature of city life, as inevitable as taxis splashing mud onto sidewalks and the smell of garbage in summer. That's just not the case. Other cities have discovered that they can use their legal and economic power to determine the shape of development, and channel it for broad social gain.

In Los Angeles, subsidized development projects must create good jobs and provide career training opportunities. London's master plan looks to growth as a way to advance access to jobs and affordable housing. Washington, D.C., guarantees all security guards in the city a living wage and benefits. New York can look to these and dozens of other examples where cities have taken steps to expand economic opportunity.

"Increased standards and strategic investments aimed at improving our jobs, housing, and communities have the potential to yield substantial economic and social benefits – shared widely, and targeted where the need is greatest."

Such policies have not restrained growth in those cities. On the contrary, they provide a foundation for further economic success. Over and over again, the lesson from policy innovations on the ground is that setting standards and investing for the long run pays off — and that conversely, short-sighted practices to cut costs can end up generating larger costs down the road. Our fuel bills are sky rocketing because tens of thousands of old buildings are not energy efficient. We spend nearly $600 million a year on emergency shelter for the homeless. Low-wage workers are forced to rely on public support systems like food stamps and Medicaid to make ends meet for their families.[19] By contrast, when workers are paid better, they stay on the job longer, gain experience, become more productive, and save employers the cost of recruiting new workers. Retrofitting buildings can both benefit environmental sustainability and create thousands of new jobs. Ensuring that New York's families have enough affordable housing provides not only immediate stability but also strengthens the broader social fabric of our neighborhoods.

In short, increased standards and strategic investments aimed at improving our jobs, housing, and communities have the potential to yield substantial economic and social benefits. A more public, accountable process for how government invests its economic development resources will help ensure that those benefits are shared widely, and targeted where the need is greatest.

This Blueprint for Economic Development shows how New York City can begin to build that foundation for a stronger future. It outlines 54 policies and initiatives that New York City can adopt to make economic development work for all New Yorkers.

Doing so will mean a commitment to supporting competitive industries, training workers in the skills

required, and creating and preserving good jobs. It will mean ensuring an adequate housing stock and moving the city toward sustainability. It will mean identifying the administrative and legislative changes needed to reshape the city's economic and infrastructure planning, land use decisions, subsidy policy, and development approval processes. And it will mean committing the city to a level of accountability, transparency, and community involvement that has been absent.

In many instances we draw from models that have already proven to work. Alongside the recommendations presented on the following pages, you'll find case studies from across the country. To its credit, New York City government has begun to embrace some of these strategies. In 2007, for example, New York City agreed to require housing developers receiving city subsidies under the 421-a program to pay living wages to building service workers they employ.

This blueprint shows how New York can move forward from this and other promising starting points. Our recommendations are varied, and intended to be taken as an integrated commitment. Making housing more affordable, after all, depends on workers earning enough to help pay for it. Promoting small businesses offers limited gains if those employers don't offer benefits or training opportunities, or if employees can't easily commute to those jobs.

Our recommendations also envision a proactive public process — an alternative to the toxic dynamic that pits developers and city planners against an increasingly resentful public and that all too often results in behind-the-scenes deal-making.

Most fundamentally, our city's continued growth and prosperity will depend on a sensitive balance between competing objectives. We need hundreds of thousands of units of new low-cost housing — yet again and again New Yorkers voice a desire to keep neighborhoods small scale. It is challenging to create optimal working conditions in industries being driven by a race to the bottom. In promoting an open and democratic process for deciding the shape of future development, we need to make sure that neighborhoods with the greatest resources and political clout don't use that power to avoid doing their fair share.

But we believe that shared solutions are possible. There's a better way, and it starts with **three basic steps**:

Raise the standards

Government should set clear standards for any economic activity in New York City that benefits from public subsidies or other government spending and actions. Meeting these standards — whether they concern the quality of the jobs created or the environmental sustainability of new buildings — must be a prerequisite for anyone doing business with the city.

Invest for shared growth

The city and state currently spend billions keeping New York's economy humming. These investments in housing, transportation, and employment need to be designed and managed with the explicit objective of improving opportunity and strengthening neighborhoods.

Reform the process

Planning and development must take place in an open and democratic environment, in which communities and the city work as partners, not adversaries, with the objective of building a prosperous city on the strength of livable neighborhoods.

Making It Happen

The policies detailed in this blueprint are within our power to adopt and implement. Below each recommendation you'll find an indication of what action(s) must be taken for the proposed policy to be put into effect. Is it primarily through:

Administrative action by the mayor or a mayoral agency

City budget or contracts

Legislation by the New York City Council

Revision of the New York City Charter

Action by New York State

Each recommendation is also marked with a symbol noting which of this blueprint's four goals it advances: affordable housing, good jobs, environmental justice, or livable neighborhoods.

Create and maintain good jobs

Make and keep housing affordable

Grow the city greener

Strengthen local quality of life

Raise the Standards

The public should expect more from employers, developers and land owners who operate in our city — especially those doing business with city government or profiting from government action. By asking them to do their part, we can ensure that all New Yorkers share in the benefits of growth.

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RAISE THE STANDARDS FOR PUBLIC SPENDING AND ACTION

The city and state should ensure that when government resources are used to promote economic development, concrete public benefits result. New York should make the creation of middle-income jobs, quality affordable housing, and livable communities the central goals of its economic development agencies and programs.

1. Ensure that Economic Development Investments Create Living Wage Jobs

The city should use all of its economic development tools — including subsidies, city-owned land, land use changes, and city contracts — to create living wage jobs, by making wage standards formal conditions for receipt of these benefits. The city has begun to use these standards on individual major redevelopment projects, including most recently Willets Point, where it has agreed to require developers to guarantee good wages for certain categories of workers employed there. We should now move beyond this deal-by-deal approach and make it formal city policy to ensure that all jobs on all subsidized economic development projects pay at least a living wage or the prevailing industry wage, whichever is higher.

Among the most important vehicles for wage standards are the subsidy programs administered by the city Economic Development Corporation (EDC) through the Industrial Development Agency (IDA). In fiscal year 2007, the IDA awarded some $2.2 billion in tax-exempt bond financing to help businesses acquire and improve facilities. Living wage standards should apply to all jobs that are supported through these taxpayer-funded subsidies — construction and other jobs related to the projects' development, as well as permanent jobs that will be created by tenants such as hotels and retail stores and the janitorial service firms contracted to clean the subsidized buildings. Construction workers should be guaranteed prevailing industry wages to ensure that the projects create middle-class jobs,

Los Angeles: Community Redevelopment Agency

The economic development agency of Los Angeles gets it right. It sees publicly supported economic development first and foremost as about creating good jobs and strengthening neighborhoods — not just about building infrastructure and expanding the tax base. Like New York, over the last 30 years Los Angeles has seen rapid growth in low-wage service industries, as better-paying manufacturing jobs and affordable housing have been priced out by rising property values. In response, the Community Redevelopment Agency of Los Angeles (CRALA) has adopted a range of policies that institutionalize good jobs standards across all of its development programs. CRALA requires that most large development projects guarantee living wages and other basic protections for low-wage workers employed there. The agency's new construction careers policy — adopted with the support of both labor and the business community — ensures that subsidized developments include project labor agreements that not only guarantee union wages and benefits, but open up access to pre-apprenticeship and apprenticeship training for residents of low-income neighborhoods. And CRALA is exploring ways to protect manufacturing jobs against further displacement. Through these efforts, Los Angeles has undergone a cultural shift in the way that it approaches economic development.

and the permanent jobs created by tenants should be required to pay a living wage or, where applicable, a higher prevailing wage.

The same standards should be extended to the city's other subsidy programs, such as the Relocation and Employment Assistance Program and the Industrial and Commercial Incentive Program (ICIP), which currently include virtually no stipulations for the kinds of jobs they support. In particular, ICIP should no longer be used to subsidize retail employers that pay low wages and provide little or no benefit to the community. The goal of these subsidies should be to create good jobs, and we must require that they do so.

The same wage standards should apply when the city conveys public land or buildings to a developer for an economic development project — or uses the state's eminent domain powers to take control of privately owned land and then passes it on to a developer. And the city should institutionalize such wage standards by requiring that the City Planning Commission include them as part of all Urban Renewal Plans — one of the tools used by the city to manage large-scale redevelopment projects, such as the current initiatives in Willets Point and Coney Island. Once they are included in Urban Renewal Plans, all development within the plan area benefiting from city action will then be subject to the wage standards.

Finally, the city should update the New York City living wage rate each year so that it keeps pace with the cost of living. New York City's living wage rate has been stuck at $10 per hour plus benefits since 2006.

2. Require Businesses Receiving Public Subsidies to Hire Community Residents through a "First Source" System

Currently EDC does not require employers in subsidized projects to connect with city or nonprofit agencies that provide job search assistance to employers and workers. In most cases, it does not even encourage them to do so.

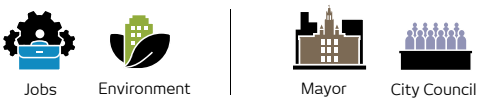
Recipients of economic development subsidies — both large-scale development projects and loans or grants to individual companies — should be required to participate in a "first source" hiring system that links employers with community residents and low-income New Yorkers seeking employment and career opportunities. A key focus should be connecting employers with those populations traditionally excluded from the workforce development process, including people with criminal records, immigrants, disconnected youth (neither employed nor in school), public assistance recipients, and those without a high school diploma.

The "first source" system should be integrated with a Workforce Linkage Network (described later in this report) that teams up the city's workforce development agencies with nonprofit partners. These partners can provide job-readiness training programs, coordinate with union apprenticeship programs, and offer ongoing mentoring for community residents who need help preparing for the employment opportunities that will be available.

On large-scale projects, the developer and the city should work together on a targeted workforce development plan for the project, beginning well in advance of construction/groundbreaking, and providing adequate time to help prepare community residents for jobs. For construction jobs, outreach and hiring should be coordinated with

building trade unions to maximize local employment and career advancement opportunities, including through pre-apprenticeship programs. Local hiring requirements on real estate projects should extend not only to construction jobs, but also to office and retail tenants who occupy space, as well as security and building service contractors in new development projects.

3. Make Green Jobs Good Jobs



New York's national leadership under Mayor Bloomberg in investing in a more environmentally sustainable future for the city will create new green industries and thousands of jobs in the coming years. The mayor, City Council, and state leaders should seize this opportunity to ensure that these new industries become a source of middle-class careers and quality training for working New Yorkers.

For example, Mayor Bloomberg's PlaNYC initiative calls for investing 10 percent of the city's annual energy bill in energy audits and upgrades for public buildings. If fully implemented, PlaNYC will create jobs for a generation of green trades workers such as auditors, HVAC technicians, electricians, custodians, and general construction workers. The city should ensure that these are good jobs by requiring that they pay prevailing wages and that employers participate in the apprenticeship training system — the best source of quality training and advancement for construction careers.

The city and state should also move to promote energy conservation in the city's privately owned residential and commercial buildings — and similarly ensure that good jobs are created in the process. For example, the city and state should create a retrofit fund for private residential buildings (described later in this blueprint), and require that retrofits financed through the fund be performed by contractors that invest in their workforces with good wages and benefits, and apprenticeship training.

Beyond construction jobs, the city should coordinate training and hiring through a "green jobs" plan that includes hiring and training workers from communities with high levels of unemployment, charts clear paths for career advancement, makes sure that participating contractors pay living wages, and helps expand opportunities in "green collar" jobs. For example, the city should use PlaNYC's proposal to plant one million trees and expand open space to create more good jobs by guaranteeing that these relatively lower-skilled positions pay at least living wages.

4. Promote Responsible Construction Contractors

With several recent tragic accidents, New Yorkers are increasingly recognizing that inadequately qualified and poorly supervised contractors are endangering the lives and health of workers and the public at large. In addition, illegal employment practices are rampant in residential construction, with about one-third of workers paid off the books or wrongly classified as independent workers, without required contributions to Social Security or Medicare.[20]

The city must take the lead to ensure safety, decent jobs, quality construction, and compliance with the law through improved building permits and a stronger Department of Buildings. Contractors with serious records of workplace safety and wage violations should simply be prevented from receiving permits for new work. The effort must include increased enforcement, targeted at contractors with persistent labor and safety violations, with a goal of improving conditions for vulnerable workers, including recent immigrants. While recent high-profile accidents have led to some improvements

at Manhattan high-rise sites, little has been done to address pervasive noncompliance on small and medium sized construction sites — jobs which are often built by non-union contractors and with scant attention to safety.

For construction projects built by the city or with the support of city subsidies, the city has additional power to promote better construction conditions. The city should adopt "responsible contractor" standards that exclude contractors and subcontractors with records of violating health and safety, environmental, wage and hour, and anti-discrimination laws, while rewarding those with strong track records, and that invest in their workforces through prevailing wages and apprenticeship training.

One area calling for special attention is affordable housing construction. While federal housing subsidies require that contractors pay prevailing wages, city and state programs and a widely used federal tax credit do not. As a result, most workers are paid $10 an hour, far below the prevailing wage, and few receive benefits. Despite oversight by housing agencies, an estimated two-thirds of workers are employed off the books or improperly categorized as independent contractors.[21] Developers claim that the financing packages currently available for affordable housing construction are inadequate to pay prevailing wages. Yet the current practice of paying construction workers low wages worsens the problem of working poverty and creates a workforce that itself cannot afford housing in the city and relies on taxpayer-supported emergency health care and other public services.

The city should start by requiring that all affordable housing contractors meet "responsible contractor" standards and enforcing these standards through independent and transparent monitoring of all subsidized affordable housing projects. Larger-scale projects, especially mixed-income projects that are largely market-rate, should be built with prevailing wages and apprenticeship training. Then, the city should launch a demonstration project for modestly sized, all-affordable projects where the prevailing wage is not required by establishing a dedicated fund that is used to build affordable housing under a negotiated, affordable housing wage rate. The results of the pilot program can then be used to assess the feasibility of extending such standards more broadly to the city's affordable housing subsidy programs.

5. Codify and Enforce Clawbacks


Jobs


Mayor

Developers and companies receiving city subsidies should be required to make clear commitments about what they will do in exchange for government support, and then be held to those promises. Over the last several years, the New York City IDA has taken a step forward by including language in its subsidy agreements giving the city authority to demand the return of subsidy funds if a company does not fulfill its hiring promises. So far, however, it has failed to enforce these "clawbacks." New York City should implement systematic clawbacks — penalties that companies must pay if they fail to honor their commitments. A good model is the performance-based approach to contracting that the city now uses in the human services area. The IDA should similarly spell out clearly how it will ensure performance from developers, employers, and other entities receiving incentives, and then enforce those standards over the lifetime of the project.

RAISE THE STANDARDS FOR LOW WAGE JOBS

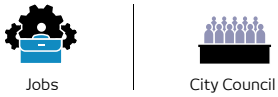
Many of New York City's fastest-growing industries — including restaurants, retail, building security, home health care, and child care — pay very low wages. New York needs to begin the process of upgrading these jobs by shifting these industries towards providing better wages and benefits.

6. Adopt a City Minimum Wage

The city should act boldly to improve the nearly 1 million jobs in the city that pay very low wages by petitioning the State Department of Labor to adopt a more adequate minimum wage for New York City. Currently, New York City has the same minimum wage as the rest of New York State ($7.15 per hour), even though it has a much higher cost of living. Other high-cost cities, including San Francisco, Washington, D.C., Santa Fe, and Albuquerque, have adopted higher city minimum wages in recent years and have found that they have improved jobs broadly without harming their local economies.

Decades ago the New York State legislature recognized that the same minimum wage might not be adequate for all regions of the state. It gave the state Department of Labor authority to investigate its adequacy and adopt a higher minimum wage for individual regions where appropriate.[22] City leaders should make clear that the minimum wage that is right for rural upstate counties is too low for New York City. They should petition the department to use its authority to establish a more appropriate minimum wage for the city and to update it each year to keep pace with increases in the cost of living.

7. Guarantee Paid Sick Days



Today, the majority of the working poor in New York City — 65 percent of poor workers and 45 percent of the near-poor — do not have even a single day of paid sick time to use for themselves

San Francisco: Citywide Minimum Wage

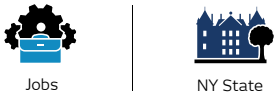
Like New York, San Francisco is a global city struggling with a skewed labor market. Many of its fast-growing industries pay very low wages – a problem that hits working families hard because the Bay Area's cost of living is the highest in the state. To respond, in 2003 San Francisco adopted a citywide minimum wage law. It provides a wage floor that is more appropriate for a high-cost city than California's lower state minimum wage. The San Francisco minimum wage is $9.36 as of 2008. It increases each year to keep up with increases in the cost of living — something especially important as low-wage workers struggle with the spiraling cost of necessities like food and gas. Despite concerns from low-wage employers that the minimum wage would hurt the city's economy, studies by University of California economists found that it has not slowed business growth or led to job losses. Instead, it has raised pay for thousands of restaurant employees, security guards, home health aides, and other workers in the low-wage industries that make the city run.

or their loved ones.[23] Even worse, fewer than half of working mothers across all income levels have paid sick time. When they or their children are sick they have to choose between going to work and losing a day's pay. Many fear even losing their jobs if they stay home. This serious problem harms not just workers and their families, but also poses a public health hazard. Fifty-two percent of New York's restaurant workers, for example, report going to work sick. Other cities such as Washington, D.C., and San Francisco have tackled this problem by requiring all employers to provide at least a modest number of paid sick days each year, and two more cities and 10 states have introduced similar legislation this year. San Francisco, which has had a law on the books since 2007, has found that the cost for employers is minimal but the difference for workers is substantial. New York City should follow their lead and pass a local law guaranteeing the same protections for working New Yorkers.

8. Enact the Responsible Restaurant Act

In New York's restaurant industry, which employs some 165,000, growing numbers of employers do not pay the minimum wage or overtime, and violate other basic laws protecting employees.[24] The city should send a strong signal to employers that compliance with these basic wage and employment law standards is not optional, by passing the Responsible Restaurant Act. The proposed legislation, currently pending in the City Council, will ensure that the city considers employment law violations the same way it does health code violations when deciding whether to renew a restaurant's operating permit. Employers who are repeat violators could have their licenses suspended.

9. Enact the Domestic Worker Bill of Rights



New York City's domestic workers are excluded from many of the basic labor and employment protections that cover other low-wage workers.[25] Their isolation in individual households across the city makes it unrealistic for them to unionize and difficult for them to negotiate for fair treatment. The state legislature should pass the Domestic Worker Bill of Rights, which mandates a set of basic workplace protections for this vulnerable workforce.

10. Protect Job Seekers with Criminal Records

Each year, an estimated 26,000 people are released from New York State prisons, and tens of thousands more leave New York City jails.[26] As a result, record numbers of New Yorkers with criminal records are now struggling to find work and contribute to their communities. But the stigmatizing effect of having a record is locking thousands of New Yorkers into persistent joblessness and cycles of criminal justice involvement.

New York already prohibits blanket discrimination against job seekers with criminal records. However, recent research has shown that significant numbers of employers routinely violate these standards and use even minor convictions as grounds for not considering potential employees.[27]

New York should follow the lead of San Francisco, Boston, St. Paul, Minneapolis, Oakland, and Chicago and make the city's own hiring system a model for the private sector. The city should adopt a fairer and more effective system of employment screening

that puts off consideration of a criminal record until later in the hiring process when the applicant has been identified as a finalist for a job. Then, unless a criminal background check is required by law, a record should disqualify a worker from employment only where it has a direct bearing on the job at stake, taking into account the age and seriousness of the crime and evidence of rehabilitation. This critical protection ensures that everyone is first considered for employment based on their actual skills and experience before their criminal record is factored in. This policy, which in Boston has been extended to city contractors as well as the government's own hiring, would open up access to jobs for a growing segment of the workforce and benefit the city's low-income communities of color, which have been hard hit by incarceration.

RAISE STANDARDS TO KEEP HOUSING AFFORDABLE.

New York is facing a housing affordability crisis. One-third of city residents spend more than half of their income on shelter. The rollback of New York's rent regulations and the expiration of government subsidy programs have pushed the city's housing costs sharply higher. Reversing that trend will require a strong hand from government.

11. Repeal Luxury Decontrol

New York City has lost at least 150,000 rent stabilized housing units over the past decade.[28] To keep housing affordable for the more than 1 million rent-regulated apartments that house most of the city's working-class families and to keep affordable developments like Stuyvesant Town a haven for New York's middle class, we must end "vacancy decontrol," the 1997 rule that removes apartments from the rent stabilization system when the rent reaches $2,000 per month.

Under this rule, an apartment can be removed from rent stabilization if the rent is raised to $2,000 while it is vacant, or even while it is occupied under certain circumstances. As rents have shot up across the city, it has allowed landlords to decontrol many apartments through creative use of permitted rent increases and capital improvements. To stop this hemorrhaging of affordable apartments the state legislature should end the decontrol rule, and extend rent stabilization to all apartments and tenants in expiring affordable housing programs — including those financed under Section 8, Mitchell Lama, J-51, 421-a, and the low-income housing tax credit. Doing so will require that the legislature either impose these new rules when it renews New York City's rent laws in 2011, or else simply repeal the "Urstadt Law" to return authority over rent regulations to the city.

12. Mandate Inclusionary Zoning

All new residential development over a minimum number of units should include affordable housing. The city should adopt a mandatory inclusionary zoning policy — like those of more than 200 cities across the country — that allows developers

to make a profit while maximizing the number of units that are affordable at the lowest feasible income levels.

Such mandates should be combined with two existing incentive strategies — density bonuses and tax exemptions — to produce more affordable units, more reliably. Currently, in areas that are being rezoned to allow for greater housing density, density bonuses permit developers to build even bigger structures in exchange for including affordable apartments. In Manhattan and selected areas of the outer boroughs, the 421-a program grants a property tax exemption for new residential buildings that include at least 20 percent affordable units. These incentives should be combined with a baseline inclusionary zoning requirement to ensure that all new large housing developments include at least some affordable units, and then reward developers that go beyond that basic requirement by granting them tax exemptions or additional density allowances. These incentives should be structured to promote affordability at all income levels, especially the lowest.

In addition, the city should use its inclusionary zoning policy to address the need for community space and other kinds of social infrastructure, including child care facilities, senior centers, and schools. Developers should be allowed to partially satisfy their inclusionary zoning obligations by developing or preserving community spaces where they are needed, or by paying into a fund to do so.

13. Ensure that Housing Subsidies Meet Real Needs

The city and state should ensure that their housing programs create units that are affordable to lower-income households. Most housing subsidies target specific income levels, typically below the area's median income. But these programs have proven inadequate to address the housing needs of huge segments of New York City, including low-wage workers, people on fixed incomes (including public assistance), the homeless, and those at risk of homelessness. Skewed by high incomes at the top, New York's unsubsidized marketplace offers almost no housing that low-income New Yorkers can afford, yet subsidies reach only a small fraction of those who are eligible — typically those at the upper end of their income brackets.

City and state affordable housing programs generally target households earning some fraction of

San Francisco: Mandatory Inclusionary Zoning

New York City's use of inclusionary zoning to produce affordable housing is an important step forward, but it is proceeding only where the Department of City Planning deems it optimal, and developers are not required to participate. San Francisco is among the cities taking a much bolder approach. A 2002 ordinance requires all new residential development of 10 units or more to produce housing below market rate. If they build the inclusionary units on site, 15 percent must be priced below market. They can construct them off-site, but then the mandate rises to 20 percent. Alternatively, a developer can pay into an affordable housing fund. Developers may seek an exemption if including affordable housing is not financially feasible.

Inclusionary units may be for rent or sale. Resale prices are determined by the city housing authority, to keep them perpetually affordable, and units may be sold only to income-eligible buyers using 30-year, fixed rate mortgages with down payments of at least 10 percent. Ownership units are available to first-time buyers earning up to 100 or 120 percent of median. Rentals are available to those earning less than 60 percent of the city's median income. As of April 2008, the program had produced about 450 ownership units and 150 rentals.

New York area's median income, or AMI. But thanks to New York's extreme income inequality, the AMI, which is calculated based on incomes across the New York metropolitan area, is much higher than the actual median incomes in the neighborhoods where incomes are lowest and the need for affordable housing highest. The result is that developers can satisfy the "affordable housing" requirements of many programs by renting or selling units to households earning as much $90,000, and sometimes more.[29] New York City needs to do a better job of targeting its housing subsidies to where the needs are greatest, while also working to preserve the affordable housing we already have.

As the city and state consider where and how to invest in housing in the future, they should target most of the resources to those most in need of them financially. Such targeting will require careful analysis on the part of city agencies. The Department of City Planning and Department of Housing Preservation and Development should establish affordable housing goals for each community, targeted to the actual needs and demographics in the area, and report its progress toward these goals.

14. Improve Housing Conditions

The city should step up its commitment to improving housing conditions, by strengthening the housing code as well as improving enforcement of the code provisions already in place. Improved enforcement begins with an increase in the number of staff dedicated to building inspection and code enforcement, and with comprehensive language access throughout all program and service areas.

The code should also be enhanced through new provisions targeting pervasive housing quality problems. Much as lead paint has been successfully reduced through enforcement of Local Law 1, other public health hazards — especially asthma triggers such as roach droppings and dust — should be addressed through strict time tables for remediation and penalties for property owners who do not comply with their responsibilities, enforced through an administrative tribunal. The code enforcement system should also be deployed to reduce race-based disparities in the quality of housing.

RAISE STANDARDS FOR CONSUMER SERVICES.

The city and state need to ensure that New Yorkers who are buying homes, seeking jobs, or borrowing or investing money are working with qualified advisors who are acting in their interests.

15. Enforce Licensing for Consumer Services


Neighborhood


Mayor

The city should establish a licensing system and enforce operating standards for businesses and organizations that provide debt, credit, and financial counseling. Some are excellent community resources, while others profit from predatory loans or credit scams. New Yorkers should be able to trust financial advisers, and the city should hold those advisers to a set of high standards.

However, licensing alone is not enough, as too many New Yorkers have discovered in their dealings with predatory employment agencies. While employment agencies are already licensed, lax enforcement has allowed them to charge excessive fees, refer workers to jobs that pay below the minimum wage or that do not exist, and practice discrimination. The city, through its Department of Consumer Affairs and Office of Financial Empowerment, should create the necessary infrastructure to guard more effectively against abusive, predatory practices harming workers and consumers.

16. Enforce the Responsible Lending Act


Neighborhood


Mayor


NY State

New York State recently updated its lending laws to prevent predatory and abusive practices that have led to escalating household debt, personal bankruptcies, and foreclosures. Now that the legislature has adopted new protections for borrowers and banned an array of well-documented abusive practices, the state and city must make sure that these new safeguards are enforced.

Invest for Shared Growth

Targeted public investments can help strengthen our economy and yield significant returns for New York's working families and their communities. Investing in workforce development can lead to higher employment rates, reduced spending on public assistance programs, and a stronger economy; investments in transportation and housing in areas of the greatest need can allow residents to spend more time and resources in their communities.

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INVEST IN QUALITY TRAINING THAT OPENS UP ACCESS TO GOOD JOBS

New York City's economic development system must connect city residents — especially those who face significant obstacles — to jobs and career opportunities through a coordinated job readiness, training, and apprenticeship system. By investing in programs that expand access for lower-income communities, communities of color, immigrants, and the unemployed and under-employed, all segments of the workforce can share in the jobs and training opportunities generated by economic development.

1. Reinvent the "Workforce 1" System to Create a Workforce Linkage Network

A strong workforce development system is fundamental for connecting out-of-work and low-income New Yorkers to good jobs. But for too long, the city's workforce system has failed in its key functions. A 2007 study found that the Bloomberg Administration has made progress in overhauling the dysfunctional workforce investment system. But much remains to be done, especially in coordinating the city's system with not-for-profit providers and employers, and in focusing on long-term career advancement rather than short-term jobs.[30]

The city should build upon its "Workforce 1" system to create a Workforce Linkage Network of training providers that is directly tied to employers. Those benefitting from economic development subsidies, whether tenants in new buildings or directly subsidized companies, would be required to participate. The system would also be available to the city's manufacturers, health care providers, and employers in other sectors needing a skilled workforce. The Workforce Linkage Network should be created by the city in partnership with community-based organizations, local stakeholders, labor unions, and workforce development agencies with expertise in the field.

For employers, the network would be especially useful for fulfilling their first source hiring participation requirements. For job seekers, the network would ensure that training helps them connect to

Minneapolis: Neighborhood Employment Network

Neighborhood Employment Network, or NET, links jobseekers, employers, and the many educational, training, and social programs in Minneapolis, placing 1,500 clients in jobs each year. NET attributes its success to its neighborhood-by-neighborhood, performance-based approach. Each neighborhood has an autonomous job bank – a not-for-profit community-based organization – staffed by certified career development professionals. The job banks and NET, which acts as a coordinating body, are closely tied into a transparent, accountable public system. Their payment is performance-based rather than dependent on government grants and contracts. Job banks are paid $1,000 when they make a job placement and then more, in increments for job retention starting at 90 days, up to $3,000 for one year job retention, plus a bonus if a client earns $11 per hour or more within the year. Job banks will not place clients in jobs paying less than $8 an hour, and they are networked to the larger social service community, speak the languages of the neighborhoods they serve, and maintain close relationships with local and regional businesses as well as the city economic development and planning agencies.

real employment. It would be especially helpful to those populations currently excluded by most training providers and workforce development programs, such as the court-involved population and "disconnected" youth neither employed nor in school.

The Workforce Linkage Network must also look beyond just placing people in the first job available, which too often is low-wage and without benefits or potential for advancement. Instead, the goal of the new, broader network should be to help New Yorkers pursue long-term career development. This means sticking with workers over time, investing in on-the-job training, and identifying opportunities for advancement with partnering employers.

2. Create High-Road Sectoral Partnerships


Jobs


Mayor

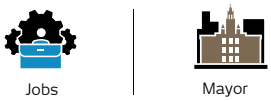
Under the leadership of the deputy mayor for economic development, the city should support and encourage sectoral partnerships that include employers, workers, unions, community representatives, and industry experts. The goal of these partnerships should be to develop industry-based strategies for strengthening the competitiveness and performance of targeted sectors of New York's economy, across both small and large firms. The city should develop these partnerships for varied sectors such as transit, biotech, and security. The partnerships will also benefit the workforce, resulting in new apprenticeship and training programs that establish skills standards for growing and understaffed occupations.[31] Two good examples of existing local sectoral partnerships are the Garment Industry Development Corporation and the health care industry's Local 1199 Employment Training and Job Security Program. These partnerships should be coordinated by the mayor's office and would be integrated with the city's sector-based economic development strategy (described later in this report).

Seattle: Apprenticeship Initiative

As its trained construction workforce ages, the Seattle region is expanding the use of apprenticeship training to launch more low-income residents of color and women on paths to middle-class careers in the unionized construction trades. To create more apprenticeship training slots for new workers, area governments and agencies have adopted apprenticeship utilization requirements (AURs) for most publicly contracted construction projects. AURs call on construction contractors to participate in state-approved apprenticeship programs — the best source of high-quality training — and to guarantee that at least 15 percent of project hours will be worked by apprentices. To ensure that as much new development as possible trains the workforce of the future, local governments are also negotiating with developers to adopt AURs for large private development projects.

Seattle has also developed model pre-apprenticeship training and mentoring programs to help more low-income residents of color and women become apprentices. The Seattle Vocational Institute Pre-Apprenticeship Construction Training prepares 45 residents for apprenticeship each year. Nine out of ten participants in the six-month program graduate and are admitted directly into union apprenticeship programs.

3. Expand Apprenticeship Opportunities

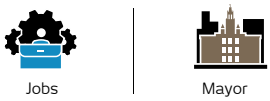


The city should harness existing apprenticeship programs — and create new ones — to make quality jobs accessible to those disconnected from the workforce. Apprenticeships are a proven way to deliver quality skills training for construction careers and can be effective conduits for bringing in excluded or difficult-to-reach communities. The city should expand and institutionalize the mayor's Construction Jobs Initiative so that 40 percent of apprenticeship slots on all major development projects are reserved for targeted populations such as veterans, public high school graduates, housing authority residents, and women. Contractors should be required to use high-quality apprenticeship programs, and these in turn should have direct links to feeder programs for recruiting local residents and preparing them for apprenticeship training. For other industries, such as manufacturing and transportation, the city should examine employer needs by sector and identify training and apprenticeship opportunities specifically for the excluded workforce.

4. Make Workforce Development Fully Language Accessible

To successfully serve immigrant communities, the city should ensure that all workforce development programs and affiliated agencies have full language access by providing reliable translation and interpretation services between workers, trainers, and employers. All printed and online material should be available to the top languages of the city's residents. In addition, publicly funded ESL classes, many of which are taught through CUNY and community-based organizations, should integrate workplace and workers' rights topics into their curriculum. These classes should follow the example of successful programs that teach the English skills required for employment.[32] Full language accessibility of government agencies — especially those involved with workforce development — can also discourage use of predatory employment agencies that operate in immigrant communities.

5. Expand Transitional Jobs and Other Supportive Work Models



Paid transitional employment is a workforce development strategy that combines jobs with skill development and supportive services such as the soft skills needed for success in the workforce. This model has been proven effective for moving public assistance recipients, the formerly incarcerated, and disconnected youth into the labor market. It has been employed to move welfare recipients into the labor force through programs such as the Parks Opportunity Program. While transitional employment is a crucial alternative to unpaid "workfare," it should be expanded beyond the Parks Department to multiple city agencies and should offer a variety of job types and career pathways. As in most existing transitional jobs programs, provisions should be put in place to ensure that transitional jobs program participants do not displace existing workers.

New York City is creating a Justice Corps that will provide transitional employment, placement, and retention services in several neighborhoods for youth reentering the community from jail. This would in effect direct the transitional jobs model toward the court-involved population. The Justice Corps would take the model a step further and provide permanent, full-time jobs that are initially subsidized. The city's plan is an excellent start. Following a pilot period in which the program can be adequately evaluated on both its outcomes and

cost effectiveness, the transitional jobs framework should be expanded to reach more age groups and neighborhoods, institutionalized with committed public funding, and opened to new tools such as employer incentives.

Other supportive work models, such as Youth Corps service learning programs, have been proven effective for young adults who are not in the labor market and not in school. The Corps model simultaneously improves communities and the young people who live in them. New York City should look to its transportation and infrastructure investments as opportunities to create service learning opportunities for disconnected youth.

INVEST IN UPGRADING LOW WAGE JOBS

The city needs to develop targeted strategies for upgrading the low-wage jobs in which more than one million working New York adults today spend their careers. The city should invest in improving wages and job standards, and create career ladders to better-paying positions for the front-line workers who make our city run.

6. Educate Workers and Employers on Rights and Responsibilities


Jobs


Mayor

Employer violations of basic workplace standards — including the minimum wage, overtime, and workers' compensation — presents a growing threat to the well-being of the city's low-wage workforce.[33] Following the model of its successful outreach initiative around the Earned Income Tax Credit, the city should promote improved awareness of and compliance with basic workplace standards. The city should invest in partnerships with community-based organizations to educate workers about their rights, while helping train employers in problem industries about their legal responsibilities under workplace laws. The city has already begun using this approach with the restaurant industry, where it has helped publish a manual on employment law compliance that it distributes to all applicants for restaurant licenses.

7. Upgrade Security Guard Jobs


Jobs


Mayor

The low wages and lack of rigorous training in the city's security guard industry leaves thousands of working New Yorkers in poverty and compromises our city's safety. The city should partner with labor unions and the real estate industry to develop a strategy for upgrading and professionalizing the guard workforce. As part of this security worker training and employment initiative, the city should require developers who receive public dollars to participate in a professional-level training program for their workers.

8. Raise The Wages of Home Health Care Attendants

The city should raise living standards for the more than 50,000 home health care attendants by raising pay under New York City's living wage law and working with the state to finance the cost of the increase. Home attendants provide the care that enables the elderly and disabled to remain in their homes rather than being institutionalized. Most are employed by city-contracted private agencies and are paid with a combination of federal, state, and city funds through the Medicaid program. New York City's living wage law, which was enacted in 2002, gradually raised wages in the industry to a modest $10 an hour by 2006. But unless the law is amended to provide for further annual raises, inflation will rapidly erase these gains, returning tens of thousands of families to poverty. The city should also abandon its opposition to denying home care attendants the right to overtime pay when they work more than 40 hours — an outmoded and unfair exclusion. While this combination of reforms is not inexpensive — it will add more than $100 million in combined federal, state and city costs to the Medicaid program — it is an investment that we cannot afford not to make.

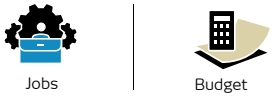
9. Raise the Wages of Family-Based Child Care Providers

The city should similarly work with the state to invest in extending a living wage and training opportunities to home-based child care providers, an industry employing tens of thousands of women in the city. Home-based child care providers, who are paid under a program jointly administered by the State Office of Children and Family Services and local city agencies, are the largest source of publicly funded daycare for working New Yorkers. Yet home-based child care workers are classified as "independent contractors" and reimbursed at rates that are so low that many earn less than the minimum wage. These workers have recently been authorized to unionize, which is an important first step to upgrading the industry. The city and state should now work together to ensure that this growing group of workers is paid a living wage. The city and state should also expand training opportunities so that these workers can become higher-paid registered providers.

Washington, DC: Prevailing Wages for Security Guards

To ensure that growth generates good jobs for low-income residents, many cities now require that city subsidized development projects provide living wages for frontline workers employed there. But subsidized development represents just a small slice of employment in cities. Looking for a broader approach, in 2007 Washington, D.C., adopted an innovative prevailing wage policy for its security guard industry – a fast-growing sector where low pay and poor training were fueling high staff turnover, jeopardizing public safety. Enacted with the support of the security industry and the Service Employees International Union Local 32BJ, the new law ensures that security guards employed in office buildings in the city are paid a living wage of $11.51 per hour and benefits worth at least $3.16 per hour. The wage and benefits standards under the law are based on the prevailing wage for the industry as determined by the U.S. Department of Labor, and they increase each year to keep pace with the cost of living. After the law was passed, several security agencies reached agreements with unions for the first time, providing for further wage and benefit improvements and training for security officers in the District.

10. Raise the Wages of City-Contracted Human Services Workers



The city should also extend a living wage to the tens of thousands of human services workers employed under contracts with city agencies. This large workforce is employed by nonprofit organizations to provide vital social services to city residents. When the city enacted its living wage law in 2002, these deserving workers were not included. The city should extend its living wage to cover them. But to do so, it must build into its human services grants supplemental funding to finance these higher wages and benefits. The city should also work with human service providers to develop career ladders and fund training and educational opportunities to allow caseworkers to advance into higher-level management positions. While upgrading these human services jobs will require a substantial investment by the city, it will not only benefit thousands of working New Yorkers, but also improve the quality of the important services they provide by improving staff turnover and retention.

11. Support Health Sector Career Ladders

The city should increase its investment in workforce development training that enables home health care attendants and other low-wage New Yorkers to become licensed practical nurses and registered nurses. The city's health care industry faces a nursing shortage and licensed practical nurse positions are a growth area for middle-income job opportunities. The city's commitment of $3 million to a Nurse Career Ladder program in October 2007 was a good start. That funding will support 100 scholarships each year and guarantee employment for graduates. The city should expand this program and increase its investment by funding more training slots and work supports to allow home attendants to become nurses.

12. Create City-Funded Day Labor Centers

The city should fund community job centers for day laborers and other workers-for-hire, as cities in Maryland, Texas, California, and other states currently do. Across the five boroughs, an estimated 10,000 day laborers wait to be picked up by employers each day.[34] Publicly funded job centers are a proven strategy for providing a safe place to wait, as well as an opportunity to learn about labor laws and worker rights, and to receive vocational training and English classes. The city should also encourage community-based organizations that work with immigrants to provide services to day laborers.

INVEST IN NEIGHBORHOODS AND COMMUNITY ASSETS

New York City needs to make expanding affordable housing, transportation, and economic security part of its economic development strategy.

13. Continue to Support and Expand the Portfolio of Affordable Housing

The city and state should continue to make substantial investments in the creation and preservation of affordable and mixed-income housing. They should do this by increasing funding for housing development programs — including the Housing Trust Fund, Low Income Housing Tax Credit, Homeless Housing Assistance Program, and preservation loan programs — for the purposes of creating and preserving more units, achieving deeper affordability, and increasing wage standards for workers.

14. Promote Permanently Affordable Housing

In addition to existing programs and policies, which are incentive-based and income-targeted, the city should expand its affordable housing development portfolio to include models that promote permanent affordability. The city should use financing tools that promote the creation of new, permanently affordable housing, as well as find strategies to help projects set to age out of affordability restrictions stay affordable. All forms of subsidized housing, including Mitchell-Lama, project-based Section 8, and Low Income Housing Tax Credit developments, should be protected from loss of subsidy. The city and state should continue to explore all options for promoting permanently affordable housing.

15. Maintain and Preserve Public Housing

As federal funds dry up, it has fallen on New York City and state to secure its stock of public housing, home to more than 400,000 lower-income New Yorkers.[35] Of course, the primary responsibility remains with the federal government. But to the extent federal support falls short, the city and state should commit sufficient resources for adequate annual maintenance and repairs of NYCHA developments, without excessive rent increases, and make annual payments while advocating for increased federal support. The city should also stop charging NYCHA extra for policing and other services that are provided to all New Yorkers.

The city and state should resolve that no additional public housing units in New York City will be privatized. When development projects take place on NYCHA property, resulting housing should be affordable to very low income households, and NYCHA residents should benefit through new amenities (such as community centers and open space), opportunities for affordable home ownership, and job opportunities.

Likewise, when publicly supported developments take place near NYCHA developments, a work-

force development and first source hiring plan must be in place to ensure that NYCHA residents have genuine access to the jobs. The city should also expand "Section 3" and other Resident Employment Services programs that train and place NYCHA residents with contractors who work on NYCHA developments. Finally, the city should support the organizing and capacity building of public housing residents to increase residents' participation in decision-making and resource allocation affecting NYCHA's future.

16. Bring Grocery Stores with Living Wage Jobs to Underserved Neighborhoods

The city should address the chronic shortage of quality grocery stores and good jobs in the city's low-income neighborhoods by launching a new "Good Food–Good Jobs" initiative to help open more stores, with a focus on supermarkets that provide living wage jobs and benefits. Rising commercial rents and other factors have led supermarkets to close in low-income neighborhoods with few new ones taking their places. The bodegas and similar stores to which residents must now turn for food generally provide poor quality, expensive options, and jobs that pay poverty wages. The Department of City Planning is beginning to study this problem and explore solutions. The city should use its planning process, incentive programs, and land use tools to help supermarkets that provide quality, affordable food and living wage, union jobs open new stores in underserved neighborhoods.

17. Support Transportation Improvements for Lower-Income Neighborhoods

The city and state should reprioritize transportation investments to improve mobility for lower-income households and outlying neighborhoods — based on their potential to improve access to jobs, housing, and services for poorly served communities, where high numbers of residents travel more than one hour each way. Currently, the two biggest planned expansions of MTA train service — the West Side extension of the No. 7 line and the proposed JFK rail link — would support new real estate development projects without improving mobility for the neediest communities.

Pennsylvania: Backing Fresh Food

Many urban communities are struggling not just with a shortage of good jobs and affordable housing, but also with few sources of healthy food for low-income residents. Obstacles such as rising commercial rents and redlining are creating "food deserts" in low-income neighborhoods, forcing residents to shop at bodegas, gas stations, and drug stores that charge high prices and offer poor selection. A Pennsylvania program, the Fresh Food Financing Initiative, has helped to finance 32 new supermarkets with 2,600 jobs in lower-income neighborhoods. A $10 million grant from the state matched with $30 million in private funds supports a "one-stop shop" for financing the expansion of fresh food retail in underserved areas, including grants and loans for land acquisition, construction, and equipment. The next step in improving this model is to add incentives to ensure that the jobs created in the process offer good wages and benefits as well as healthy food options.

New York also needs to tackle freight traffic, which currently depends on trucks that pose an enormous burden to neighborhoods with truck routes and highways. The proposed Cross-Harbor Rail tunnel, connecting Brooklyn with New Jersey, would allow rail to play a larger role in New York City's freight transportation system, cutting air pollution and fuel consumption considerably. Supporters estimate it would create 23,000 permanent jobs and help sustain and grow manufacturing and other sectors that rely on the freight infrastructure.

18. Support Community Credit Unions with Municipal Deposits

New York is one of the few states where municipalities are statutorily prohibited from making deposits in credit unions. Credit unions and community development financial institutions promote community control over asset building, especially in low-income neighborhoods. Community credit unions are nonprofit institutions with a mission to serve small businesses, residents who might otherwise use check cashers, and those who prefer a neighborhood-based alternative to mainstream banking. They offer small personal loans — for home improvement and education, for example — often not available from for-profit banks; they establish relationships with customers and help promote local businesses and community based organizations; and they assist people in building credit and assets. New York State should change the law and permit municipal deposits in community credit unions. Municipal deposits can capitalize these important neighborhood institutions and help them grow. The state's Linked Deposit Program already permits New York City to put deposits in commercial banks, where some earn reduced interest rates. That program should be extended to credit unions.

19. Invest in Prevention and Recovery From Foreclosure

The subprime mortgage crisis has disproportionately impacted communities of color, causing thousands of low and moderate income residents to lose their homes and threatening collateral damage to whole neighborhoods. It demands a neighborhood-based response — both to assist homeowners and to protect hard-hit communities from the harms that can result from high numbers of foreclosures. The city has taken an important step forward by creating the Center for New York City Neighborhoods. In partnership with consumer advocates and financial services providers, it has begun to provide counseling and education to borrowers, and assistance in renegotiating loan terms. And the legislature has enacted new protections that require lenders to give 90 days notice before beginning foreclosure proceedings and to participate in a court-run settlement conference with the defaulted borrower.

But as important as these steps are, they will not be enough to prevent foreclosures where loan servicers are not willing to negotiate lower payments, or debt loads are so out of line with income that no workout is possible. New York City should explore some of the more proactive strategies currently being pursued by other cities, including a moratorium on foreclosures (Philadelphia) and legal action against financial services companies that engaged in fraudulent practices that are harming neighborhoods (Cleveland).[36]

20. Subsidize a Partial Loan Loss Reserve Pool for Micro-and Small Business Loans

Microloans help support and grow businesses that are unable to access traditional sources of credit, due to insufficient credit history or other issues. Typically $50,000 and under, microloans promote a vibrant retail mix in neighborhoods by helping home-based businesses and mom-and-pop shops make renovations, invest in new equipment, or remain afloat in hard times. Several New York City organizations provide microloans, including Acción, Camba, a Small Business Services partnership with the Brooklyn Chamber of Commerce, and a U.S. Small Business Administration partnership with the Women's Business Center and New York Association for New Americans. Each loan made by these organizations is relatively expensive largely because the majority of these organizations make only a small number of loans. Those microenterprise development organizations, such as Acción, that do make a large number of loans often find that they cannot make as many loans as they would like because of the need for loan loss reserves. A citywide reserve pool would help capitalize the lenders, allowing them to scale up their services and assist more small businesses. Such a pool could also standardize underwriting requirements across programs, enabling better connections between micro-credit organizations and the capital markets. The city should create a loan loss reserve pool for microloans as part of a strategy to support small businesses.

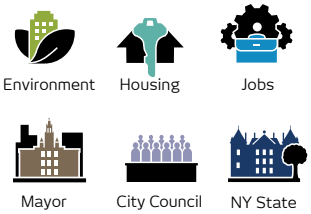
21. Expand Access to Fair Credit to the Poor and Communities of Color

Fair and equal access to credit is an essential tool for economic equity and a safeguard against revisiting the subprime mortgage crisis in the future. New York City should work with lenders to expand access to credit and wealth-building opportunities in disadvantaged communities. The city created an agency specifically to support the efforts of lower-income families to build assets: the Office of Financial Empowerment in the Department of Consumer Affairs. OFE should work to expand access to credit to low-income borrowers in addition to offering financial literacy programs, promoting lender responsibility, and identifying systemic abuses among financial services providers. OFE should partner with local lenders to make available fair and payable mortgages to the poor and communities of color. OFE can also serve as a think tank to help develop new strategies for building assets and wealth in low- and middle-income neighborhoods and in communities of color, and can become a strong supporter and promoter of best practices in the financial services industry.

INVEST IN ENERGY EFFICIENCY AND GREEN ECONOMIC DEVELOPMENT

New York City's monumental commitment, through PlaNYC, to greening the city offers a rare opportunity to build a city that's not just environmentally sustainable but also economically prosperous. The city should foster equitable green economic development by growing emerging green industries that offer well-paying jobs with accessible career ladders for the city's workforce.

22. Retrofit Residential Buildings



With the price of energy continuing to spiral upward, New York has an opportunity to make an investment with a great payback: retrofitting existing residential buildings to make them energy efficient. The city has already embraced this goal under Mayor Bloomberg's PlaNYC 2030, which calls for retrofits for residential buildings with 50 or more apartments. The city and state can go even further and make retrofits affordable for owners of all residential buildings, both large and small, by creating an innovative residential retrofit investment fund that makes loans to cover the up-front cost of retrofits and allows owners to slowly pay them back as a line item on their new, lower reduced utility bills. Once this system is established, private capital can finance the retrofit fund, allowing the program to operate at little cost to the taxpayers. The city should then actively market the retrofit fund to building owners and perhaps even require large residential buildings to participate in it. To ensure that the new green jobs created are good jobs, the city and state should require contractors hired for retrofit fund-financed projects to pay living wages and participate in the apprenticeship training system. And to protect tenants, the program should include safeguards to ensure that retrofits financed through the fund do not become the basis for rent increases. In this fashion, the city can cut energy use, reduce the pressure on rents created by rising fuel prices, and create good jobs — all at little cost to the taxpayers, and with savings for building owners.

23. Create Green Collar Training Opportunities

The city and state, in partnership with unions, should create green collar training and apprenticeship opportunities. A variety of apprenticeship opportunities would give New York City an edge by producing a trained workforce that can access well-paying jobs with career ladders. The city needs to build capacity in the industry by ensuring building owners, facilities managers, and contractors are trained in environmental standards such as LEED and ASHRAE,[37] and by training small contractors and workers to perform energy efficiency work and equipment retrofits.

Apprenticeships and training programs are needed to train auditors, electricians, construction workers, mechanics, energy managers, meter installers, and other specialists. As with the other apprenticeship strategies recommended in this blueprint, green collar training opportunities should be made accessible to lower-income communities, communities of color, immigrants and linguistically isolated communities, the unemployed and under-employed including public assistance recipients, people with criminal records, and disconnected youth. Specific economic development incentives should be conditioned on employers participating in green collar training programs and providing living wage jobs.

24. Encourage Green Manufacturing

The city should encourage green manufacturing as part of a sector-based jobs strategy. This includes supporting firms that manufacture parts needed for energy efficiency upgrades, products from recycled materials, furniture from sustainably harvested materials, and environmentally friendly construction materials. New York's huge market and waste stream makes the city an ideal location for such businesses. The city should also encourage businesses to implement green manufacturing techniques in their production processes, including energy efficiency, solar energy systems, water use reduction, and reduction of packing materials, as well as the use of local suppliers to limit transportation emissions. The city can encourage green manufacturing and living wage jobs in the sector through its use of incentives, zoning, and procurement. The city should also assist manufacturers in marketing to contractors and other buyers, and add local manufacturing criteria to Local Law 86 regulations (the green buildings law) and other city procurement policies.

Los Angeles: Green Jobs Training

Los Angeles is bracing to modernize and green its infrastructure — but unlike NYC, LA is preparing a new workforce to do the job. The Green Careers Training Initiative is a project of the Los Angeles Infrastructure and Sustainable Jobs Collaborative, a partnership led by the Regional Economic Development Institute at Los Angeles Trade — Technical College that includes the office of Mayor Antonio Villaraigosa, Apollo Alliance, Los Angeles Unified School District, Cal State LA College of Engineering, IBEW Local 18 — LA Department of Water and Power (LADWP) Joint Training Institute, Southern California Gas Company, and Southeast-Crenshaw Worksource Center.

The training initiative connects low-income residents to union apprenticeship and community college training programs that prepare them for living wage jobs in building trades and public utilities. It also provides training to help workers already in those fields advance, and connects prospective employees with employers through career counseling and mentoring. With half of the public utilities workforce eligible to retire in the next five years, LA needs a new generation of skilled workers simply to build and maintain its sewers, pipelines, and public buildings. As the utilities move toward greener sources of energy and greater water conservation, those workers will need new and specialized skills in green building that the training initiative provides.

Reform the Process

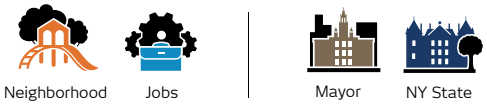
Land use and economic development decision-making must be a partnership between government and the people of New York City, involving meaningful public participation, full transparency of the finances and activities of publicly funded entities, and stronger support for community boards and other civic organizations that enable the public to participate. The city's own economic development agenda must be guided by thoughtful assessment of how benefits and burdens are distributed across the neighborhoods, classes, and racial and ethnic groups of New York City.

CONTENTS

REFORM HOW ECONOMIC DEVELOPMENT GETS DONE

In spending billions of dollars of public money on subsidizing economic development, New York City must commit to transparent and publicly accountable processes, and to ensuring that the benefits of those investments are shared broadly.

1. Reevaluate All Economic Development Subsidy Programs



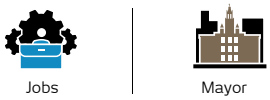
New York City and State hand out billions of dollars each year in the name of economic development, with remarkably little accountability given the amount of money involved and the potential impact of the spending. Every significant economic development program should be subject to a rigorous reevaluation to assess whether it works and, if not, how it should be modified or scrapped to ensure that economic development delivers real benefits for taxpayers.

New York City's Industrial and Commercial Incentive Program (ICIP) recently went through such a review, which led to urgently needed reform of the program (now renamed the Industrial and Commercial Abatement Program, or ICAP). ICIP was perhaps New York's foremost example of an economic development program that had strayed from its original intent and become largely wasteful. Originated in the 1970s, ICIP offered property tax exemptions and abatements for the construction or rehabilitation of industrial and commercial buildings in zones of the city in need of economic investment. However, the map of eligible areas was not updated for many years, and as a result a substantial portion of ICIP funds ended up subsidizing projects in prosperous parts of Manhattan. ICIP cost well over $500 million in fiscal year 2008, making it the second-largest real estate tax expenditure program in New York City.[38]

In 2007, with the guidance of independent experts, the Economic Development Corporation, Mayor's Office of Management and Budget, and city Department of Finance undertook a rigorous assessment of ICIP to determine whether its tax benefits were, in fact, needed to promote new investment in the city. They found that a high percentage of businesses receiving ICIP benefits likely would have made their investments even without the tax break and concluded that the program should be scaled back, which the legislature did in 2008.

EDC should bring the same critical eye to all of the city's economic development incentive programs to ensure that they still make sense in the city's current economy and are delivering real value for the taxpayers.

2. Focus Economic Development Policy on Strengthening Sectors



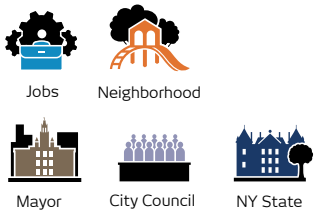
The city should reorient its economic development program to focus resources on sectors of the economy with the greatest potential for employment and career opportunities. Research from multi-city demonstration projects finds that the most effective municipal economic development programs are those that strengthen the sectors of the local economy that provide good jobs and can grow with public support — not on one-off, uncoordinated subsidies or real estate deals.

Under a sector-based approach, the municipal economic development agency conducts thorough and transparent research into specific industries, to identify those that can grow collectively, offer more quality jobs, and produce local revenue that has larger impacts on the area economy. A coalition of stakeholders — businesses, labor unions, investors, workforce development organizations, academics, and marketers — then convene to develop a strategy for strengthening the sector as a whole. The full array of economic development tools—infrastructure investments, real estate actions, financing, subsidies, incentives, and workforce development — are used to enhance the sector as a whole, helping a wide range of companies and individuals to thrive and grow.

Unfortunately, the Economic Development Corporation has focused on deal-by-deal subsidies sought by individual companies and on large-scale redevelopment projects designed to maximize land values. Too often, the subsidies are simply handouts to corporations that threaten to leave, and their track record in creating and retaining good jobs is poor. The large-scale redevelopment projects often include more condominiums than permanent jobs.

A sectoral approach is more effective because it promotes the long-term growth of quality jobs in diverse industries across the city. It is fair and transparent to a wide range of actors, and less subject to political manipulation. Economic development aimed at producing public benefits — creating not only tax revenue but also workforce development opportunities and quality jobs — should rely on a sector-based strategy to target resources and assess results.

3. Improve Transparency of the Economic Development Corporation



EDC must make the development process more accountable and transparent. One simple step it can take is to publish all the responses it gets to requests for proposals, instead of only the winners. EDC also should develop a formal evaluation formula for ranking responses to requests for proposals (RFPs). The formula should be disclosed to the public and include job creation and job quality standards as central factors, with a special focus on the quality of the service jobs and other lower-wage positions generated. While EDC's general guidelines do include "permanent on-site employment and payroll" as a factor in weighing development proposals, the agency does not in practice look carefully at job quality in the evaluation process.[39] EDC should develop and consistently apply an RFP evaluation formula that makes the number and quality of jobs that will be created key criteria in assessing proposals.

At the Industrial Development Agency, projects should be subject to Local Law 48 reporting requirements for the duration that a subsidy remains in effect. Local Law 48 was enacted in 2005 to improve transparency around city subsidies. It requires yearly reporting on subsidy recipients, including information on the wages that they pay. But its reporting requirements end after seven years – regardless of the duration of the subsidy agreement. This truncated reporting term prevents a thorough examination of subsidy performance over time. The IDA should also ensure meaningful public notice and participation in its award process by notifying community boards when it proposes subsidizing

major developments, allowing for enough time and outreach to build public awareness and hear public concerns.

4. Adopt a City Unified Development Budget

Following the lead of several states, the city should produce a unified development budget (UDB) that reports all local economic development spending in one place. UDBs combine information on appropriations (such as spending for grants, services, and infrastructure) with expenditures (tax breaks and other foregone revenue). In New York City, a UDB should include municipal spending as well as state projects where the city makes a large contribution and that have an impact on the city's economic development, such as city-based Metropolitan Transportation Authority and Empire State Development Corporation projects. Juxtaposing these with Economic Development Corporation, Department of Education, and other municipal capital projects would enable a thorough, yearly analysis of the city's major capital investments by city officials and watchdogs.

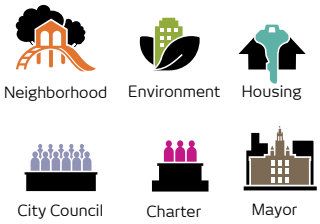
5. Require Community Impact Reviews for Projects Receiving Subsidies

The city should require Community Impact Reviews for new development projects that receive city subsidies. The city's main review process, the Uniform Land Use Review Procedure (ULURP), does not currently address many development impacts of great concern to communities, such as what sort of jobs will be created by a project. Moreover, some large projects, such as as-of-right developments and state-led projects, can sidestep ULURP altogether. A Community Impact Review would give area stakeholders and the City Council key information about proposed new developments that will have significant effects on their community. For example, it would include reporting on a project's subsidy profile, land-use approvals, and construction permits — information already in the city and the developer's possession but which is not always easy to access. In addition, it would require disclosure of other key details such as the quality and quantity of jobs that will be created, affordable housing production, demolition and displacement effects, and diminution of critical public services like police or fire response. The City Council is considering legislation to require Community Impact Reviews.

REFORM CITY PLANNING TO PROMOTE LIVABLE NEIGHBORHOODS IN A LIVABLE CITY

The city needs to dramatically alter its land use planning approach. City planning decisions must be made collaboratively with communities, on the basis of a shared and comprehensive framework that treats all neighborhoods fairly and provides the necessary infrastructure to sustain growth and strengthen communities.

6. Implement a Comprehensive Citywide Planning Framework



The city Charter should be amended to require a new comprehensive citywide planning framework — New York City's vision of itself for the future. This framework should be based on an analysis of existing challenges and projected growth within the region, city, boroughs, and neighborhoods. It should incorporate plans generated at the neighborhood level. The Department of City Planning should develop the plan in consultation with community boards, elected officials, and other stakeholders, for adoption by the City Council.

This comprehensive planning framework should be the basis for the city's infrastructure plans and capital budget investments — so that new schools can be built where the number of youth is expected to grow, public transportation can meet projected needs, and so on. The plan should be reviewed on a regular basis. Proposed zoning changes or developments that comply with the comprehensive plan should be expedited in the land use review process. Those that do not comply would require amendment of the citywide plan, under tougher standards than required in the usual land use

London: A Plan for Equitable Development

In 2004, the Greater London Authority released a blueprint for the sustainable growth of a vast metropolis. Like PlaNYC, the London Plan lays out strategies for transport, land use, and the environment. But the London Plan goes much further, presenting a vision for how London's future development will promote opportunity. "Social inclusion is central to the concept of sustainability," it states, proceeding to detail measures "directing growth to where it is most needed, providing more affordable housing and promoting policies for education, health, safety, skills development and community services, as well as tackling discrimination and promoting equal access to all London's opportunities." The plan calls for half of all new housing to be affordable "to the full spectrum of housing need"; each of London's 32 boroughs has its own affordable housing production targets. The plan also outlines goals for building social infrastructure, such as community and senior centers, and it lays out a sector-based strategy for economic development along with a commitment to match worker training with employers' needs. Public participation is an essential component: "All stakeholders should take a pro-active approach that engages the community in decisions about its future and builds capacity to enable the community to take a lead in addressing its own needs wherever possible." All planning decisions in Greater London must conform to the London Plan.

review procedure. Community-initiated 197-a plans created within the citywide framework, and that are adopted by the city, should be given the force of land use law to guide future public and private development.

7. Set and Achieve Standards for Neighborhood Services

The city's Environmental Quality Review law should be amended to incorporate clear standards for the level of amenities and services each neighborhood can expect — such as school seats, neighborhood park space, and police and fire response times. These standards and their application should reflect a careful assessment of the level of amenities and services necessary to keep a neighborhood livable, while reflecting each area's unique demographics. The standards should also be based on a "fair share" plan that ensures all neighborhoods take responsibility for hosting necessary but environmentally burdensome facilities that serve the entire city, such as waste transfer stations and truck routes. These standards should help drive the citywide planning framework.

Even in the absence of a comprehensive plan, the new standards should be incorporated into the land use review process. If a proposed development would send a neighborhood below the standard for a particular service or amenity, the city agency responsible would be obligated to present a plan to achieve the standard before the land use action is approved by the City Council.

8. Make Community Boards Effective Partners

An effective city planning process relies on the city's 59 community boards as central actors in shaping their neighborhoods. They need a level of funding, capacity, support, and accountability commensurate with that responsibility.[40]

The city should establish an Office of Community Planning to provide planning expertise and resources to the community boards and directly respond to issues of concern across neighborhoods. The office should be responsible for proactively involving community boards in planning, for managing new planning responsibilities under the proposed expanded citywide planning framework, and for helping them meet their broader goals.

Portland, Oregon: Office of Neighborhood Involvement

Portland is well known for its superior city planning. One of the reasons it works so well is its commitment to community participation. The Portland Office of Neighborhood Involvement (ONI) is a city agency charged with providing technical assistance and coordination with city agencies for neighborhood associations, district coalitions, business districts, and "communities without boundaries," such as ethnic groups. Once an association or group is on ONI's list of officially recognized organizations, it becomes part of the land use review process and gets assigned a planner from the city. Recognized organizations must abide by a set of standards including open meetings and certain rules for conflict resolution. In addition to being integrated into the planning process and providing assistance to community groups, ONI hosts special projects to address community concerns. For example, it is home to the Restorative Gentrification Listening Project, through which Portland provides a forum for a dialogue and understanding about neighborhood change, race and class divides, and economic revival.

To serve effectively as democratic neighborhood institutions, community boards must also better reflect and be accountable to the range of constituencies in their neighborhoods. The Office of Community Planning should help ensure that community board appointees are representative of local stakeholders, and that they are complying with rules to limit conflicts of interest and promote transparency.

9. Make the Chair of the City Planning Commission Independent

Currently, the mayorally appointed commissioner of the Department of City Planning also serves as Chair of the City Planning Commission, which has resulted in the chair of the commission advocating the perspective of the department as opposed to representing a broader range of public opinions and interests.

The City Planning Commission should no longer be chaired by the commissioner of the Department of City Planning. Instead, a separate chair, nominated by the mayor and confirmed by the City Council, should lead the commission. By making the City Planning Commission independent of the Department of City Planning, the city can free the commission to represent interests beyond those of the department.

10. Keep the "Public" in New York's Public Spaces

While private investment has a role to play in supplementing limited government financing for public spaces, the city must be vigilant in guarding against the risks that it can pose. When the city relies on private investment to build, maintain, or police public spaces, the results often disproportionately benefit wealthier neighborhoods and can set the stage for harassment and displacement of lower-income residents and workers. Privatization of public spaces reduces accountability for the services provided and can lead to policies that exacerbate inequality, such as paying maintenance workers less than a living wage and policing practices that marginalize "undesirable" users. Public parks created through public-private partnerships should give communities a strong voice in planning and management. The city should provide equitable funding for the management of all parks, and not allow over-reliance on private funds to create a two-tier system. It should be the city's responsibility to prevent harassment and exclusionary practices in privately owned public spaces. Finally, public-private partnerships should not be allowed to result in substandard jobs. The offer of private investment in public spaces should be leveraged to raise standards and create public benefits, and should not detract from the public's ability to enjoy the whole city.

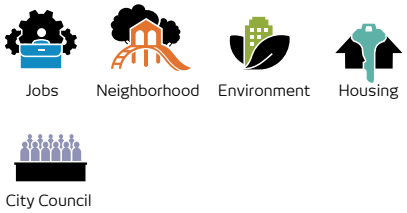
REFORM THE CITY'S APPROACH TO MANUFACTURING AND SMALL BUSINESS

Rapidly rising real estate costs are undermining companies that provide good blue-and green-collar jobs, small businesses, and startups looking to expand in the city. The city needs a comprehensive set of policies aimed at preserving affordable space for manufacturing jobs, small businesses, and the new green industries that we need for a dynamic 21st century economy.

11. Designate 21st Century Growth Areas for Blue Collar Jobs

The city should reserve its most important manufacturing areas for industrial jobs by restricting incompatible uses, such as hotels, superstores, offices, and waste-transfer stations, which current zoning allows in manufacturing areas. Establishing new "Industrial Employment Districts" would close this loophole and protect jobs in the densest industrial areas. This new zoning designation that would provide additional protections in existing industrial areas where there is a broad consensus to foster industrial growth. Mayor Bloomberg's 2005 industrial policy and PlaNYC 2030 indicate that there is a consensus to preserve existing M-zoned areas for industrial use, but in practice these zones are being undermined by the non-industrial uses currently allowed in these areas. Establishing a new Industrial Employment District zoning designation would discourage uses unrelated to manufacturing by requiring that they first obtain a special permit and show they would not destabilize the neighborhood.

12. Create Genuine Mixed-Use Zones



New York City nominally has "mixed use" zones, labeled MX. But because lucrative residential development is permitted in those areas as-of-right, industrial uses are nearing extinction. The city should create a zoning designation that would maintain the character of neighborhoods where there is a mix of light industry, small stores, and residential development. This mixed-use development pattern is characteristic of many vibrant New York neighborhoods (such as Williamsburg, Gowanus, and Long Island City) and promotes strong ties between local jobs and residents. The zoning designation should come with a "good neighbor" mechanism to ensure noise and odor are not a problem. Unlike the existing mixed-use zones, which allow residential and office development without any restrictions, the new zones would limit complete residential and office conversions either to smaller lots or to certain transitional areas within the zone. Balanced mixed-use zones would avoid creating homogenous residential or office development by insisting on a diverse mix of uses. These zones can also be a key element of New York City's environmental strategy. By facilitating local production, these areas can minimize the

emissions generated and energy used to transport locally consumed goods to market. Furthermore, mixed-use communities typically have a high rate of walking and biking to work, which can reduce the environmental impacts of commuting.

13. Stop Illegal Conversions in Manufacturing Areas

While there has been improvement recently, the city still needs to tighten up zoning code enforcement to preserve space for local manufacturing jobs. Landlords who illegally use manufacturing-zoned buildings for residential or other uses should have higher fines assessed on their property. Where fines continue to accrue on a particular building because of persistent violations, the building could be transferred to a nonprofit owner using a lien system to guarantee the building would be occupied by manufacturing uses that comply with zoning and create good jobs.

14. Include Independent Businesses in City-Sponsored Projects

The city should promote independent businesses in retail projects receiving city subsidies. For all city-sponsored or subsidized development projects that include retail, a portion of the new retail space must be set aside for independent, non-chain retail businesses on the ground floor of the development. The retail space must include a range of store sizes and the developer must commit to a retail program that includes below-market rents, and tenure protections for these businesses, in addition to the wage and job training requirements that would apply for all retailers in city-sponsored development.

Thanks to advocacy from communities and elected officials, two current economic development projects are taking strides toward this model. The request for proposals for a retail complex on East 125th Street requires 50,000 square feet to be set aside for local independent businesses and stipulates that below-market rents be made available. The developer of the Kingsbridge Armory retail and entertainment center has been asked to make similar provisions.

CONCLUSION

As New York has grown and prospered over the last several decades, it has become one of the most vibrant, exciting world cities of the 21st century. It is also one of the most unequal, and economic opportunity has grown increasingly elusive for a significant share of the city's population. For lower- and middle-income New Yorkers, it is more difficult to raise a family and enjoy the benefits of the city than it was a generation ago. Housing costs are up while wages are down, commutes are longer, and neighborhoods are changing in a way that displaces long-time residents and businesses.

The new face of New York City's economy is a product of many trends, some of them regional, some of them national, and some of them global. But both our own history as well as innovations in other cities prove that we have significant power at the local level to respond and build a stronger New York City.

As discussed in this blueprint, our economic development policies should improve the common quality of life for all New Yorkers, by aiming to reach these four goals:

- Create and maintain good jobs for a strong economy.
- Make and keep housing affordable.
- Grow the city greener.
- Strengthen local quality of life, neighborhood character, and diversity.

The strategies presented in this blueprint move us toward these objectives. They promote investments that lead to broadly shared prosperity, raise the standards for our economic development programs, and make our planning processes more transparent and inclusive. Following these strategies will guarantee that the economic development process brings better jobs, more affordable housing, and deeper environmental sustainability for New York City. The end result is a transparent, accountable development process in which communities partner with the City to bring development and growth in ways that are welcomed and needed.

New York City spent about $1 billion on its economic development programs in 2007.[41] As this blueprint has noted, much of that money is spent on projects that would have occurred anyway, or whose benefits flow to neighborhoods and people least in need. It is incumbent on New York to re-evaluate how it spends those resources, and to redirect them to build a more broadly prosperous and sustainable city.

There is no doubt New York City and state can do this — but we need strong leadership and commitment from all the stakeholders involved. Through much of its history, New York City has been a national leader in promoting policies designed to improve quality of life, strengthen urban neighborhoods, and promote economic opportunity and a more cohesive city. That tradition has built the thriving metropolis we have today. New York has reaped enormous rewards through its investments in mass transit, higher education, housing, public spaces, and other basic resources that are open to all who live or work in the city. It is an infrastructure unparalleled in North America, but one that urgently needs to be upgraded to meet modern needs and the rise of extreme inequality.

To do that we have to advance not only the physical infrastructure, but our most vital resource — the New Yorkers who build, serve, aid, counsel, process, assemble, sell, and create, and make the city run. New York City now has not only the opportunity, but the obligation to apply its wealth, innovation, and industriousness to build a foundation for coming generations.

Endnotes

[1] Trudi Renwick, "Pulling Apart in New York: An Analysis of Income Trends in New York State," Fiscal Policy Institute, April 2008, http://www.fiscalpolicy.org/apr23report.pdf. The figures cited in the text are based on an analysis of the Current Population Survey (CPS); for a number of methodological reasons, they likely significantly understate the extent of income polarization in New York City.

[2] New York City Housing and Vacancy Survey, 2005, http://www.census.gov/hhes/www/housing/ /nychvs.html. Rents are calculated from 1999 to 2005, adjusted to 2005 dollars. Median household income of renters in New York City declined 5.6 percent from 1999 to 2004, adjusted to 2004 dollars. Median rent paid in New York City increased 8.9 percent from 1999 to 2005.

[3] From 2000 to 2006, New York City lost 589,000 apartments renting for under $1,000, a 36 percent decrease. U.S. Census Bureau, Census 2000 and American Community Survey 2006.

[4] The share of renters with a high housing cost burden increased from 36 percent to 42 percent; the share of homeowners with a high housing cost burden increased from 27 percent to 35 percent. American Community Survey 2006.

[5] For New York City MSA: U.S. Department of Housing and Urban Development, 2008 Fair Market Rents, http://www.huduser.org/datasets/fmr.html.

[6] Vicki Been, et al., "State of New York City's Housing and Neighborhoods 2005," Furman Center for Real Estate and Urban Policy, http://furmancenter.nyu.edu/publications/documents/SOC2005_002.pdf. New York's median income for a family of four is about $70,000.

[7] "Foreclosure Filings, New York City 2007," Furman Center for Real Estate & Urban Policy, http://www.furmancenter.nyu.edu/documents/FurmanCenterAnalysisof2007ForeclosureData.pdf.

[8] "Furman Center for Real Estate and Urban Policy, "New Analysis of New York City Foreclosure Data Reveals 15,000 Renter Households Living in Buildings that Entered Foreclosure in 2007," press release, April 14, 2008.

[9] Eliot Brown, "Bankruptcy Filings Jump Signals Trouble," *New York Sun.* October 24, 2007; Michelle Chen, "The City Responds to the Foreclosure Crisis," Gotham Gazette. March 10, 2008.

[10] Gini coefficient analysis by Michael Freedman-Schnapp (New York Industrial Retention Network) and James Parrott (Fiscal Policy Institute), based on tax data from New York State Department of Taxation and Finance analyzed by the New York City Independent Budget Office.

[11] Between 1990 and 2006 in New York City, average annual earnings in sectors with declining employment were 159 percent higher than those in sectors with growing employment. Analysis conducted by the authors, based on the Quarterly Census of Employment and Wages and the Current Employment Statistics survey. U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages; U.S. Department of Labor Bureau of Labor Statistics, Current Employment Statistics.

[12] Bernhardt, Annette, Siobhan McGrath, and James DiFilippis, "Unregulated Work in the Global City: Employment and Labor Law Violations in New York City," Brennan Center for Justice, 2007.

[13] Ibid.

[14] New York City Commission for Economic Opportunity, Increasing Opportunity and Reducing Poverty in New York City, 2006

[15] New York City Housing and Vacancy Survey 2005. Income diversity ratios declined from 2002 to 2005, as estimated by the New York Housing and Vacancy Survey.

[16] "New York City in Crisis: Racial Segregation, Concentrated Poverty and the New York City Mayoral Race," the Center for Social Inclusion, November 2005.

[17] The 2005 New York City Housing and Vacancy Survey reports that the number of housing units in dilapidated buildings and with multiple maintenance deficiencies is at a historic low.

[18] New York City developers have claimed more than $470 million in brownfield clean-up tax credits, most of which is financing projects in Manhattan and Flushing, Queens. Robert Moore, et al.,"Wasted Green: How Lost Revenue and State Spending Shortchange New York Taxpayers and the Environment," Environmental Advocates of New York, February 2008.

[19] See "When Work Doesn't Pay: The Public Cost of Low-Wage Jobs in New York State," National Employment Law Project, forthcoming 2008.

[20] See "The Underground Economy in the New York City Affordable Housing Construction Industry," Fiscal Policy Institute, April 2007.

[21] Ibid.

[22] The state code provisions under which the legislature gave the Labor Department this authority are N.Y. Labor Law sections 653 and 655(5)(a).

[23] "Unheard Third Survey of Low-Income New Yorkers," Community Service Society, 2007.

[24] See "Behind the Kitchen Door: Pervasive Inequality in New York City's Thriving Restaurant Industry," Restaurant Opportunities Center of New York, 2005.

[25] Estimate from "Home Is Where the Work Is: Inside New York's Domestic Work Industry," Domestic Workers United and Datacenter, July 2006.

[26] New York State Division of Criminal Justice Services Crimestat Unit. "2006 Crimestat Report." February 8, 2007. There are approximately 100,000 admissions to New York City jails each year, and average length of stay in New York City jails is 46 days (New York City Department of Corrections).

[27] See Devah Pager and Bruce Western, "Race at Work: Realities of Race and Criminal Record in the New York City Job Market" (paper presented at the New York City Commission on Human Rights 50th Anniversary Conference, 2005).

[28] The official statistics kept by the New York State Division of Housing and Community Renewal include only those units for which an owner files an official notice of deregulation. Many more units have been lost from regulation upon vacancy, when owners simply cease filing multiple dwelling registrations (MDRs) and count on lax enforcement.

[29] New York City Liberty Bonds, created after 9/11/01 to help rebuild Lower Manhattan, created-moderate-income housing that would be affordable to families earning 100 percent of area median income. These "moderate income" rental rates ranged from $1,649 per month for a studio to $2,449 per month for a three-bedroom. New York City Council Infrastructure Division, "Briefing Paper: Lower Manhattan's Housing Needs: An Examination of Redevelopment Plans and Liberty Bonds," December 2002.

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[31] Elaine Rivera, "New York City's Small Business Manufacturers Encounter Dearth of Skilled Employees," WNYC radio, December 10, 2007.

[32] For more on how ESL benefits workers and employers, see Margie McHugh, Julia Gelatt and Michael Fix, "Adult English Language Instruction in the United States: Determining Need and Investing Wisely," Migration Policy Institute, July 2007. For more on Vocational English as a Second Language (VESL), see www.workforcelanguageservices.com. Successful implementation of VESL ranges from Chipotle restaurant training in Houston, Texas, to voc-ed for future welders, nurses, and cosmetologists at the San Diego Community College Continuing Education Program.

[33] Bernhardt, "Unregulated Work in the Global City."

[34] Milan Bhatt of the New York Immigration Coalition estimates the number of day laborers in New York City at 10,000, based on the work of Edwin Melendez, Professor of Management and Urban Policy at Milano The New School for Management and Urban Policy.

[35] NYCHA has 343 developments across the 5 boroughs. More than 135,000 people are on the waiting list. Forty four percent of NYCHA households work. NYCHA has an approximately $225 million annual operating deficit. Twenty-one thousand of NYCHA's units are supported entirely with city and state funds. Community Voices Heard, Campaign to Save & Improve Public Housing.

[36] See "Defaulting on the Dream: States Respond to America's Foreclosure Crisis," the Pew Charitable Trusts, April 2008.

[37] LEED stands for Leadership in Energy and Environmental Design. ASHRAE is the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

[38] New York City Department of Finance, Annual Report on Tax Expenditures, FY 2007.

[39] New York City Economic Development Corporation. "The Acquisition and Disposition of Real Property." (presented at the Board of Directors Meeting, May 11, 2006).

[40] A 197-a plan can cost between $50,000 and $250,000 to create, while community boards only receive $200,000 per year for their entire budget.

[41] This estimate includes cost of the Industrial and Commercial Incentive Programs, Industrial Development Agency, the Economic Development Corporation's budget, and the Housing Preservation and Development's 421-a and J-51 programs.

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About One City/One Future

One City/One Future is a collaboration of civic organizations working to improve New York City and its neighborhoods that are concerned that the economy is locking too many New Yorkers out of opportunity — for good jobs, affordable housing, and livable communities. We are a partnership of community-based organizations, labor unions, policy groups, environmentalists, community development corporations, and other advocates seeking to make economic growth work for all New Yorkers.

A Blueprint for Growth That Works for all New Yorkers is intended for use by elected officials, civic leaders, advocacy groups, policy researchers, concerned citizens, and anyone else who is looking for a healthier approach to economic development — one that builds a more economically prosperous and environmentally sustainable city.

One City/One Future began in 2005 with a series of conversations among dozens of organizations grappling with the effects of growth and development in their neighborhoods. These conversations quickly revealed a set of common challenges facing communities across the city.

Over the next three years, organizations came together for a series of issue education sessions, community forums on subsidy accountability and on Mayor Michael Bloomberg's PlaNYC 2030, shared research of development practice in other cities, and conversations about what was working (and what wasn't) for neighborhoods and organizations around the city. A shared vision began to emerge for how New York City's economic development policies can build more widely shared prosperity.

Stakeholders in One City/One Future stressed the need for a policy blueprint that could make this vision a reality. Six policy working groups then began to map out how the city could more effectively address jobs, housing, social infrastructure, economic security, workforce development, and the environment. More than 160 staff, board members, and volunteers from 100 organizations participated, developing 250 separate policy proposals — and then testing, refining, and prioritizing the recommendations. Over 200 people took part in a half-day discussion to align the blueprint with the realities they see in their own communities.

The Blueprint for Growth That Works for all New Yorkers is designed to build consensus around economic development policy priorities, serve as a resource for neighborhood and citywide advocacy campaigns, and put the urgent need for the reform of city and state economic policies on the agenda for New York City's 2009 elections.

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