



Urban Agenda Convener of NYC Apollo Alliance



Federal Economic Stimulus Package and New York City

While the economic forecast is grim across the country, New York State and New York City have been hit particularly hard. The financial sector contributes over 20 percent of the tax revenues for the state and in the wake of the current financial crisis, New York State is facing a deficit of over \$15 billion while New York City faces a shortfall close to \$4 billion.

New Yorkers are now faced with a harsh reality. Governor Paterson is proposing \$3.6 billion of cuts in healthcare, public schools will lose \$2 billion of aid, and \$300 to \$400 million would be cut from human services, economic development, work force, and higher education. New York City would be hit hard by the proposed cuts and the budget cuts would deprive the city of roughly \$1 billion. State funding for the Metropolitan Transportation Authority (MTA) would also be slashed by \$285 million. As a result, the MTA would be forced to drastically cut services while imposing a 25% fare hike to close their budget gap.

Recognizing the severity of the situation, President Obama has vowed to introduce an economic stimulus plan within the first few weeks of his new administration. The federal plan would increase spending to create jobs and slow the economic downturn. Increased spending on public infrastructure projects, such as rehabilitating and retrofitting schools, the mass transit system, and buildings, modernizing the electric power grid, and upgrading roads and bridges, provide the most economic return per dollar spent.

In New York City, there is an urgent need to secure federal economic stimulus dollars. Without capital funds, many projects will be abandoned and unemployment will rise. The New York City Apollo Alliance¹ urges Congress to fund projects that not only make New York City more sustainable but also create quality green collar jobs.

To ensure that the anticipated spending generates the most jobs possible in the immediate future and create new industries over the long term, we urge that the stimulus legislation include language that would allow cities and states to create a local procurement preference for the purchase of goods and materials used in federally funded capital projects. This will give local governments the authority they need to use the spending to nurture new local green manufacturing.

While there is a need to act quickly, we must also act responsibly. The opportunity to rebuild our economy in a just and sustainable manner cannot be squandered. Creating low-paying jobs that continue to force families to live in poverty with no benefits is not an economic stimulus and in the long run, will bring another economic crisis. On the other hand, creating good paying green collar jobs that provide benefits and pathways out of poverty protects workers and opens the door to economic and career advancement.

Recommended Criteria

In response to the federal stimulus, project proposals will be submitted from across the economic spectrum. Meaningful criteria must be used to evaluate the economic and environmental impact of proposed projects. We urge that funded projects should:

- ▶ Create employment for a wide spectrum of workers, ranging from low-skilled labor to highly skilled labor.
- ▶ Support local employment opportunities. Outsourcing occurs not only when jobs are sent overseas, but also when labor is imported into an area with a trained and ready labor pool that can, and should, be employed.
- ▶ Create jobs that provide good wages, health care benefits, and paid time off.
- ▶ Promote employment in environmentally sustainable areas, such as building retrofits, brownfield redevelopment, and urban forestry.
- ▶ Promote the maintenance and retrofitting of existing infrastructure, such as mass transit, roads, and bridges, rather than the building of new systems.

Examples of projects that meet these criteria include:

Mass Transit Projects

The Metropolitan Transit Authority is facing a tremendous budget shortfall. Without federal assistance, commuters will be faced with massive fare increases and service cuts. While large projects, like the 2nd Avenue Subway line, are in need of federal funds, there are several other lower profile projects that will help improve service and create good jobs:

- ▶ The rehabilitation of 9 stations on the Sea Beach subway line, costing \$540 million.
- ▶ Rehabilitation of 5 stations on the Pelham subway line, costing \$120 million.
- ▶ Rehabilitation of 12 stations on the West End subway line, costing \$325 million.

Rehabilitating subway stations and modernizing signal systems ensures safer, more environmentally sound stations and also employs union labor, guaranteeing family sustaining wages and benefits.

Promoting Energy Efficiency

According to the National Save Energy Coalition's stimulus recommendations, there are several programs that could be expanded to quickly channel funds to green jobs while ensuring that high standards of quality are maintained:

- ▶ Expanding federal funding of the Low-Income Weatherization program managed by the Department of Energy.
- ▶ Creating an "Efficiency Matching Fund" that will provide a 100% Federal match for all state-approved energy efficiency programs.
- ▶ Providing Home Retrofit Program funds for residential efficiency.

Providing a 100% Federal match for state-approved energy efficiency programs would quickly channel funds to green jobs. For every \$1 invested in such programs, typically \$2 to \$4 is saved by reducing costs for consumers and freeing up additional consumer purchasing power. Demand for energy is also decreased, lowering prices for all consumers.

Greening Affordable Housing

The New York City Housing Authority (NYCHA), which operates and maintains the largest public housing system in the country, is predominantly funded by the federal government. Ensuring that this housing stock is

green, sustainable, and energy efficient would not only create green collar jobs but also reduce greenhouse gas emissions, decrease energy use, and provide healthier accommodations for residents.

According to documents submitted by the City, there are \$486 million in projects for NYCHA that could be eligible for funding through the Public Housing Capital Fund and awarded within 90 days and \$128 million worth of projects that could be awarded within 180 days. Examples include:

- ▶ NYCHA could spend \$20 million to repair the roof at the Woodside Houses in Queens.
- ▶ NYCHA could spend \$41 million to upgrade the kitchens and bathrooms at Edenwald Houses, the largest public housing development in the Bronx.

Brownfield Redevelopment

A Brownfield is property that is not being redeveloped because of land contamination. The presence of hazardous materials poses liability, cost, and time obstacles to investment and redevelopment of these sites. Brownfields redevelopment brings tainted land back to productive uses and also creates good, green-collar jobs.

Federal investments in the Brownfields program have yielded 10 times the economic return.² In New York City, Brownfields are being handled by the Office of Environmental Remediation (OER), which was established on June 9, 2008 per Mayor Bloomberg's initiative in PlaNYC. All five boroughs contain sites where previous uses have left behind contamination.

Brownfield redevelopment opportunities could be expanded in the following ways:

- ▶ Expanding the Brownfields Cleanup Grant's Cap. Currently, the federal Brownfield's Cleanup Grant's cap is \$200,000 per site. However, the average cost of cleanup per site is \$602,000.³ The cap must be expanded to reflect more realistic costs of cleanup while rigorous oversight must be ensured.
- ▶ Ensuring the New York State Brownfield Opportunity Areas (BOA) program is fully funded. The BOA gives municipalities and community-based organizations across the state the tools they need to take the first steps to redevelop and clean-up blighted and polluted areas. However, plans are underway in Albany to gut this valuable program by transferring its resources for general budget relief.

Coupled with the fundamental need to create good, green-collar jobs, is the need to develop a trained and skilled workforce. Alongside funding projects that create jobs, the economic stimulus must fund training and readiness programs to ensure there is an adequate workforce ready to take on this new work.

Urban Agenda, convener of the NYC Apollo Alliance, recognizes the need for workforce development and has undertaken a roundtable process to bring together diverse interests to address the workforce development needed for the new green economy. For more information, please visit:

www.urbanagenda.org/greenworkforce.htm#roundtable.

Job Readiness and Training Programs

Job training and readiness must go hand in hand with job creation, not just for the new green economy but also for any economic stimulus programs that create new jobs. Without a properly trained workforce, new jobs cannot be filled and unemployment figures will not decrease. We must ensure that job training and job creation are undertaken simultaneously. The programs listed below are examples of dozens of highly effective green jobs workforce development programs that could be implemented immediately to prepare a new green workforce.

Green Jobs Center

In response to an RFP from the NYC Department of Small Business Services the Consortium for Worker Education, the Association for Energy Affordability and the New York Industrial Retention Network developed a plan to integrate economic development services and workforce development in the field of energy efficiency. The plan includes a training center that would assess, train and place over 2,700 workers in the energy efficiency industry. The Center will also provide business services for over 900 businesses to expand or enter the market of energy efficiency work over a three year period. The annual budget for this endeavor is \$1.4 million.

The initiative could be expanded in depth and reach with additional funds, offering support for people coming out of poverty, retraining for laid-off workers, and business development services for the industry. The current plan focuses on energy efficiency, but the model could be expanded to include more segments of the energy supply chain, as well as other sectors under the "green jobs" umbrella, including urban horticulture, transportation, waste management and manufacturing.

CUNY – Job Training Programs

The City University of New York (CUNY) offers a range of education and training programs, both degree and non-degree, credit-bearing and non-credit, in "green" industries, including renewable energy and energy efficiency. These programs prepare entry-level workers as well as those looking to update their skills and knowledge. An infusion of \$2 million in operating funds for green energy training programs at CUNY could immediately expand programs in photovoltaic installation and systems, Building Performance Institute programs (which train people to evaluate and recommend changes that increase energy efficiency in buildings), and Building Operator Certification programs (which train individuals in building maintenance using new technologies and energy efficient systems.) With these funds, CUNY could build additional labs, hire new instructors, and train approximately 1600 more people each year.

Conclusion

The NYC Apollo Alliance strongly urges the Obama Administration to prioritize stimulus projects that meet the above listed criteria. While we must act quickly, we must also act responsibly. Now is the opportunity to rebuild our economy with programs that create good green collar jobs that provide pathways out of poverty and make our built environment more sustainable.

Notes

- 1 The NYC Apollo Alliance believes that the future of our city depends on a broad coalition working jointly to achieve positive social, economic, and environmental goals. Established in 2004, the coalition brings together unions, environmentalists and environmental justice advocates, businesses, educators, and community-based organizations to advocate for public policies that maximize the economic development and job creation potential of greening New York City
- 2 Northeast-Midwest Institute, "A Proposal to Increase Cleanup Grants for Brownfields Redevelopment," March 2008
- 3 See id.

Urban Agenda and the NYC Apollo Alliance

Urban Agenda, convener of the NYC Apollo Alliance, is an action-oriented public policy, research, and advocacy organization. It is dedicated to building a socially, economically, and environmentally just New York City. It advocates policies and programs grounded in strategic research and supported by strong coalitions of unions, business, and the community.