

THE CITY OF NEW YORK
COMMUNITY BOARD FOUR
DISTRICT MANAGER'S REPORT April 2009
Submitted by: José Rodriguez, District Manager

The Month of April, for me, symbolizes rapid forward/upward movement, a time of new growth and regeneration. It brings me to the belief that we as community will experience a transformation that will bring us to a new level of understanding and a more cohesive alignment with one another. And as I continue to grow in my professional endeavors I am honored to be able to serve as your District Manager. My continued hope is that we provide our best in defending our general welfare.

This month I wanted to give you all an overview some of the events and announcements made over the last month by the Executive and Legislative branches of City Government.

Executive:

On March 30th the Mayor made a statement on the start of public review for 161st Street River Avenue Rezoning to strengthen the Bronx Civic Center.

"The plan will create 1,350 new jobs, more than half a million square feet of office space, new housing, and year-round retail to serve our growing community. The Mayor stated that "it's yet another example of how we are preparing key, transit-oriented sites throughout the City to provide new economic opportunity for New Yorkers, while strengthening their neighborhoods. The rezoning will build on significant public and private investment in the area, from Lou Gehrig Plaza to the Bronx Hall of Justice, the blossoming homes in Melrose Gardens to the new Yankee Stadium. Consistent with our sustainable development policies, it will encourage the redevelopment of vacant and underutilized lots and facilitate some 900 units of new and affordable housing."

On April 1st Mayor Bloomberg and HRA Commission Doar announced that New Yorkers on Food Stamps will receive a 13 % increase in monthly grants from the federal stimulus package.

- \$25 Million in additional Federal Benefits are some of the first funds from American Recovery and Reinvestment Act To Reach New Yorkers
- "Making Work Pay" Federal Tax Credits of up to \$800 for working families also start appearing in paychecks providing credits each month adding up to \$400 for adults and \$800 for families over the course of a year.

- The United States Department of Agriculture estimates that a family of three will receive a monthly increase of \$63, while a family of four will receive a monthly increase of \$80.
- This tax credit begins to phase out for individuals who \$75,000 or more annually and couples filing jointly who earn \$150,000 or more annually.

On April 5, 2009 the Mayor on his weekly radio address spoke of using transparent and innovative ways to keep government accountable as we receive federal stimulus funds.

The Mayor mentioned how the city launched a new tool that will let citizens track how the City is using the stimulus dollars that are coming to us as part of the American Recovery and Reinvestment Act that President Obama signed in February. NYC Stimulus Tracker can be found on the City's website at www.nyc.gov .

He indicated during the address the Federal stimulus funding will allow us to immediately get to work on critical transportation projects in all five boroughs. Using Federal dollars for these projects will also free up some City funding that now be able to use to jumpstart 25 other infrastructure repair projects that had previously been stalled. Taken together, these infrastructure projects have a total value of \$1.1 billion, and are expected to create or preserve some 32,000 jobs, both in construction and in other industries.

While using the NYC Stimulus Tracker, an individual will be able to see where all the projects are, when contracts for them have been approved, and who the contractors are. He further mentioned the Department of Education launching another powerful online tool called ARIS Parent Link. ARIS is already providing regularly-updated information on student performance to our teachers and principals.

Lastly the Mayor reminded all of making city government more transparent by creating the Citywide Performance Reporting Online System at www.nyc.gov. CPR, as it is called is a unique tool that gives citizens online access to critical agency performance measures.

On April 6th the Mayor announced a new initiative that would prove to assist nonprofits with managing financial difficulties as a result of the economic downturn. New York City's more than 40,000 cultural, health and social service nonprofit organizations will benefit by the City seeking to reduce nonprofit organizations' fixed costs, expand loan programs, enhance the responsiveness and efficiency of City contracting procedures to speed payments, and build new partnerships to help foster stronger nonprofits. The following initiatives were taken from the Mayor's directive statement:

- *Helping to Reduce Nonprofit Organizations' Fixed Costs*

Enable nonprofits to group-purchase goods and services to save money. The City will build on the success of a pilot program conducted by the Human Services Council that coordinated group purchasing among three nonprofit groups: the Children's Aid Society,

Urban Pathways and Barrier Free Living. Joint procurement of information technology will begin for all nonprofits this summer, and a plan for insurance purchasing will be in place by the end of year. The City estimates that group purchasing can save up to \$5 million for nonprofit groups in contract with the City alone.

Evaluate nonprofit energy use and provide strategies to reduce costs. The high cost of energy is increasingly a challenge for nonprofits. The City will lead an evaluation of energy use by the nonprofit community. Working closely with the New York Power Authority, the City will use the results to develop strategies that help nonprofits lower their energy costs by promoting energy efficiency and advocating for nonprofits to have the opportunity to buy “green” electricity at reduced rates.

- *Improving the City’s Contracting Procedures to Help Nonprofits to Work with City Agencies*

Over the past seven years, the City has negotiated two much-needed cost of living raises for workers in human services agencies through productivity and administrative reform savings, and streamlined contracting rules so that it is easier for nonprofits to do business with City agencies. Building on that success, the City will implement new actions to improve processes further.

- *Providing Dedicated Support to Strengthen Nonprofit Management*

Offer dedicated assistance to nonprofits available through NYC.gov and 311. All nonprofits – regardless of whether they have a contract with the City – can now call 311 to identify resources related to a broad range of management issues, such as: how to create a strategic plan, better manage financial resources, recruit new Board members, and learn about financial incentives. The City has also partnered with the renowned non-profit consulting firm, Community Resource Exchange (CRE), to create the “Executive Director Hotline” where senior members of the CRE staff will provide non-profit executive directors with immediate assistance through strategic advice, guidance or coaching. NYC.gov will mirror 311 in content and offer assistance with resources, answers to frequently asked questions and a searchable calendar to serve as the central location for nonprofits and their funders to receive information.

Provide Nonprofit Contract Facilitator for contract and funding award issues. The Mayor’s Office of Contract Services has designated senior staffer Jennifer Walty as the Nonprofit Contract Facilitator to help nonprofits that need special assistance with City rules, regulations or policies affecting their ability to obtain City funding. She can be reached at NFPhelp@cityhall.nyc.gov or by calling 311.

In 2006, the City created a nonprofit assistance desk at the Economic Development Corporation specifically to assist nonprofits. Since then EDC has assisted nearly 1,000 organizations. EDC has also assembled \$2.6 billion in tax credits and other benefits to help nonprofits in all five boroughs, creating and sustaining almost 50,000 nonprofit jobs.

Since November of 2007, the City has added more than 2,500 nonprofit services to the 311 referral system, which now has a team of 50 specially-trained operators dedicated to helping callers with social service-related needs around the clock. The 311 Call Center is now the nation's largest social service information and referral call center.

In 2008, the Department of Cultural Affairs instituted an open, competitive process for all eligible applicants to the Cultural Development Fund, with a goal of expanding access to funds, ensuring equity in funding allocations, and improving accountability for taxpayer dollars. For Fiscal 2010, Cultural Affairs has expanded on these improvements to bring its paper-based applications online, helping to streamline the process for the more than 1,000 nonprofits that apply for funding each year, and to speed oversight and fiscal procedures. The agency has also implemented a new Cultural Capital Grant procurement process that will dramatically reduce paperwork for nonprofits, and allow the City to accelerate funding processes for many projects by 50 percent.

Legislative

During the month of March the Council voted on legislation to extend New York City's rent stabilization laws. In conjunction, the Council voted on a resolution that officially recognizes that the city is in a housing emergency which requires rent control practices.

- **EXTENDING RENT STABILIZATION**

This legislation would extend the Rent Stabilization Law from April 1, 2009 through March 31, 2012.

- **RENT CONTROL EMERGENCY RESOLUTION** (*There are currently 1 million rent-regulated and 50,000 rent-controlled apartments in New York City.*)

In conjunction with the rent stabilization bill, the Council voted on a resolution declaring an emergency housing situation that requires rent control policies in New York City. Prior to April 1st of every third year since 1967, State law has required the Council to determine whether an emergency housing situation necessitates continued rent control regulations. The resolution would extend the regulation of units that are subject to the provisions of Rent Control to April 1, 2012. Every three years, the Council is required by law to examine the housing supply in New York City to determine whether there is a continuing housing emergency that warrants the renewal of rent-regulation. Under state law, a vacancy rate of 5% or less permits the City to declare a housing emergency. Reports from the City's Housing and Vacancy Survey show that there is a citywide vacancy rate of only 2.88%, down from 3.09% in 2005.

On April 1st the City Council Announced their FY 2010 Budget Response the following are the Council's comments from their executive summary. The City Council Finance Division expects the national recession to continue through the summer of 2009, with economic activity beginning to pick up again in the second half of the year. However, the end of the decline does not mean all will be immediately well. Employment tends to lag behind GDP and will continue to fall during the early parts of the recovery.

Unemployment will peak in the summer of 2010 at 10.3 percent and remain above February's 8.1 percent rate through 2012. Things get back to 'normal' in late 2012, but with a persistently high level of unemployment. Locally, the City's economy is now fully in the throes of the national recession. The Council's Finance Division forecasts that a total of 260,000 private sector jobs will be lost. Total wages in the City are estimated to fall by 9.0 percent in 2009, and drop by another percentage point in 2010.

Tax Revenues: Steep Declines in Economically-Sensitive Taxes. City tax revenues have already felt the impact of the recession. Year-to-date collections through February for taxes other than the real property tax are down by 12 percent compared to the same time in Fiscal2008. Personal income taxes – highly sensitive to the impact of financial sector bonuses and capital gains – will fall by over one-third from their peak of \$8.7 billion in 2008, to \$5.7 billion in 2010. Real estate transaction taxes – the mortgage recording and real property transfer taxes – fall even more dramatically, by 55%, over the same period.

Property Tax Dampens Revenue Recovery in the Out years. In contrast to the other tax sources, real property tax revenues are up 8 percent in the last year. The property tax reacts more slowly to the economy and is still feeling the effects of the boom, as well as the repeal of the 7 percent property tax cut effective January 1. This lag in incorporating changing market values into assessments will keep growth in the property tax relatively strong in Fiscal 2009 and Fiscal 2010. However, growth slows in Fiscal 2011 through Fiscal 2013 as assessments catch up with declining market values. The economically-sensitive taxes are projected to recover with the economy in Fiscal 2011, but overall revenue growth will be dampened by the property tax's counter-cyclical effects.

The 2010 Preliminary Budget: Many Uncertainties; Difficult Choices. Steep declines in projected revenues led the Administration to project a budget gap of over \$4 billion in the Fiscal2010 Preliminary Budget. The Mayor proposed a gap-closing program in the Preliminary Budget which, in broad outline, consisted of four main elements:

- A roughly \$1 billion program to eliminate the gap
- \$1 billion in expected fiscal relief through an increase in the federal share of Medicaid costs (FMAP)
- \$900 million in sales tax increases

Fiscal 2010 Preliminary Budget Response

- Roughly \$750 million in labor savings.

The tremendous uncertainties about the economy, revenues, the State budget, and the federal stimulus bill at the time the Mayor released the Preliminary Budget meant that many of the gap closing proposals in it were highly contingent on decisions beyond the City's immediate control. Since then, however, the federal stimulus bill – the American Recovery and Reinvestment Act of 2009 (ARRA) – was enacted, and as the Council was wrapping up its budget hearings and preparing this response, State leaders reached agreement on a State budget for SFY 2009-2010. While the full impact of the

federal and State measures have not yet been fully evaluated, it is clear that they will not relieve the City of the burden of making difficult choices in adopting the 2010 Budget.

The State Budget: Federal Stimulus Funds Provide Partial Relief. The State was facing a more than \$16 billion gap for the fiscal year beginning April 1. Through a combination of federal stimulus funds and a personal income tax increase, the State was able to restore funding and reverse cuts proposed by the Governor in his Executive Budget in a number of important areas. Most notably, the budget agreement fully restores State revenue-sharing (AIM) of \$328 million. It also reverses a number of proposals that would have cut funding to key social services, including the proposed Youth Services Block Grant. However, the budget only partially restores Education aid cuts, and provides a level of local fiscal relief using FMAP funds that is less than what the City believes was intended in the federal stimulus legislation. Moreover, the Council remains concerned that FMAP relief could decline further if Medicaid cost growth exceeds State projections. In addition, a number of proposals sought by the Bloomberg administration were not enacted as proposed, or not acted on at all, including unlimited additional red light cameras, several mandate relief actions, and the ability to borrow. The impact of the State budget will continue to be evaluated in the coming weeks.

Review of the Mayor's 2010 Spending Proposals. Council Committees held over 20 hearings on the Mayor's Preliminary Budget proposals over 3 ½ weeks, taking nearly 100 hours of testimony from over 40 City agencies and 220 representatives of the public. In its public review of the Preliminary Budget, the Council and members of the public identified a number of proposals about which there were questions or concerns. As required by the City Charter, the Council is submitting its findings and recommendations to the Mayor in this report. The Council fully appreciates the challenges we face in this difficult economic environment, and recognizes the need to cut City spending. We look forward to receiving the Mayor's Executive Budget proposals in approximately one month's time, and to working together to craft a 2010 budget that makes responsible decisions about the use of scarce City revenues, balancing the needs of the City's communities for services with the goal of a rapid economic recovery. The City's budget is its single most important policy document, affecting the lives of every one of our over 8 million citizens. In this most challenging of times, the budgetary choices we make will be especially important.

April 2nd the City Council voted to reduce its operating budget at a total of more than \$1.7 million. This reduction follows last year's historic reduction of \$2.3 million, the most substantial reduction of the budget in the history of the modern Council. The Council's budget reductions will impact Central Staff's operations. Council Member's individual budgets will not be reduced.

The Council's reductions reflect a 3.3 percent reduction from the Fiscal Year 2009 budget. \$751,123 in reductions will come from the Council's Personnel Services (PS) Budget. Additional reductions of \$973,468 will come from the Council's Other Than Personnel Services (OTPS) Budget. Printing and events services will be reduced, as well as other cost-saving measures.

Listed below are some of the meetings, events and announcements held over the Month.

April 1, 2009: Meeting with Mina Davis of the New York Urban League (NYUL) located at 1530 East 222 Street, Bronx, New York. Ms. Davis gave me an overview of their employment service program. The NYUL's employment services department provides both the employer and the job seeker with an array of services matching qualified candidates with employers who are actively hiring. Their goal is to increase employment and income levels from entry-level to executive management. Gainful employment is a core element of their mission to support self-sufficiency through economic empowerment. They tailor their services according to the individual needs of their employer partners and the jobseeker.

April 7, 2009: Meeting with Peter Rivera and Craig M. Wilson of the National Hip Hop Museum. Mr. Rivera and Mr. Wilson presented me with the following. The National Hip-Hop Museum's vision is to advance positivity within Hip-Hop arts, culture and communities worldwide. The Museum has begun an aggressive and very promising effort to plan and implement a series of events aimed at bringing much-needed attention to the Hip-Hop institutionalization cause. Their goal would be to build a world-class facility that will make them a premiere destination in New York City and attract tourists from all over the world.

Phase-1 calls for a 75, 000 sq foot facility. The space will provide space for their administrative offices, exhibitions for all four elements, workshop spaces, and common areas for patrons, faculty and staff.

In addition to providing desperately needed space for Hip-Hop arts and education, the new facility will be an environment by which positive influences and initiatives can flourish and where interaction and cross-pollination of ideas can flourish. The Museum is looking to develop the facility at the Veledrom site.

April 8, 2009: Meeting with Mid-Bronx Senior Citizens Council, Inc regarding their festival for the Grand Concourse Centennial. The Council has planned a festival that will take place on June 13th at the Andrew Freeman Home. The activities that have been planned are as follows: Art show, music, vendors, face painting, storytelling and other children's activities and food. The majority of the activities will take place within the confines of the Andrew Freeman grounds. They also will have tables along the Grand Concourse between 166 Street and McClellan Street on the sidewalk. Mid-Bronx will be coordinating their event with the 44th Pct.

April 9, 2009: Meeting with Levon Chambers, Construction Marketing Representative Community Affairs for Greater New York Laborers-Employers Cooperation and Education Trust. Mr. Chambers and I discussed organizing a voice training meeting in district four regarding the issue of residential projects being developed by non-contractors and how we may be helpful in coordinating a new rate of scale pay for workers to residential construction. The union is seeking ways to introducing hourly

rates that would be significantly less than their standard agreement the Initiative would apply to residential construction under 6 stories. The goal is to train and hire within the community. The 1st step would be to organize 20-30 people from our district and start a pilot project that would be the model throughout the Bronx.