



NYC WORKFORCE DEVELOPMENT BEST PRACTICES

NYC’s Targeted Hiring and Workforce Development Program: Aligning Citywide Economic Development Projects with the Public Workforce Development System

Why was the Targeted Hiring and Workforce Development Program Implemented?

In the spring of 2008 New York City launched the Targeted Hiring and Workforce Development Program (THWDP) to respond to the need to connect current and future economic development projects in the City to the local workforce development system. This created a new mechanism to support employment, business growth and community development. The THWDP builds on the existing demand-driven workforce development system led by the NYC Department of Small Business Services (SBS) that works with businesses in high demand and high growth areas in New York City to enable the economy to grow.

THWDP Background

In 2006, the Pratt Center for Community Development received a grant from the Garfield Foundation to fund research on national workforce and economic development linkage programs and develop a New York City-specific model. A working group was formed of key staff from the Pratt Center for Community Development, the New York City Economic Development Corporation (NYCEDC), and the New York City Department of Small Business Services (SBS).

As a first step the working group researched “first source” hiring programs used nationally to promote economic development. These programs typically provide incentives or require developers to hire locally for permanent jobs resulting from real estate development projects. The research included a literature review and phone interviews with stakeholders to determine individual program components and what successes and challenges each city encountered during implementation. Of particular interest were the models developed by city agencies in Minneapolis, Boston, Los Angeles, Denver and San Francisco which are nationally recognized for their innovative approaches. Areas of focus for these interviews included the time parameters for hiring exclusivity, financial resources provided for marketing and employee training, physical location and space for recruitment activities, method of implementation and how program requirements were enforced. Best practices from these interviews were incorporated into the New York City program model, as appropriate, to develop a tailored program to best meet the needs, size and structure of development projects and workforce needs in New York City.

Key Aspects of the Program

The THWDP utilizes the business and workforce development services offered through SBS by incorporating hiring, training, advancement, and retention targets into selected NYCEDC real estate development projects for specific properties. These real estate projects range in scope from full sales to long-term ground leases of City owned properties., both of which involve complete redevelopment of a site. There are several key aspects of the program that are essential to the THDWP model.

Step 1: THWDP develops workforce targets for the percentage of people to be hired, retrained, and promoted to be included in the Request for Proposals (RFP)

Beginning in 2008, each NYCEDC real estate project that utilizes THWDP s workforce targets for the percentage of people to be hired, retrained, and promoted to be included in the Request for Proposals (RFP). NYCEDC’s standard process/procedure for getting competitive responses for redevelopment sites. The THWDP is practical because it uses existing processes at NYCEDC as well as SBS. The workforce targets for each RFP

Key Stakeholders

NYC Department of Small Business Services

New York City Department of Small Business Services’ (SBS) mandate is to make it easier for businesses in New York City to form, do business, and grow by providing direct assistance to business owners, fostering neighborhood development in commercial districts, and linking employers to a skilled and qualified workforce.

NYC Economic Development Corporation

New York City Economic Development Corporation (NYCEDC) is the City’s primary vehicle for promoting economic growth in each of the five boroughs, by working to stimulate investment in New York across industry sectors and broaden the City’s tax and employment base, while meeting the needs of businesses large and small.

Pratt Center for Community Development

The Pratt Center for Community Development (Pratt Center) works for a more just, equitable, and sustainable city by empowering communities to plan for and realize their futures. The Pratt Center received a grant from the Garfield Foundation to fund research on national workforce and economic development linkage programs and develop a New York City-specific model.

are specific to the nature of the development and community and are determined through analysis of employment projections, labor market data and community resources. By including workforce targets in NYCEDC's RFPs, workforce development is highlighted as an integral component to real estate development for both NYCEDC and the City. It also signals to developers that there is a responsibility and focus on the community and human capital impacts of development projects.

Step 2: Proposals are reviewed by SBS and NYCEDC

SBS and NYCEDC staff participates in proposal reviews and the developer selection process to ensure that workforce development planning is realistic and of benefit to the City, community, businesses, and the local economy. In responding to RFPs, developers must include projections for job creation and hiring targets in order to have a competitive proposal with regard to the THWDP.

Step 3: Working with the developer

When a developer is selected they work hand-in-hand with SBS and NYCEDC staff to ensure implementation of the workforce targets. As a first and important step, developers include the THWDP requirements in leases with tenant businesses. Including this language ensures that tenant businesses understand the THWDP process, the commitment necessary from their business, the multiple free resources available to them through SBS.

Step 4: Continued engagement with the tenant businesses

As the development is built, SBS partners and engages with each tenant business to provide free services, such as hiring assistance to help businesses meet the THWDP targets, connecting to training resources and other associated business services. To ensure that the THWDP targets are met, SBS and its system of workforce partners engage in a targeted method of outreach and recruitment.

Components of this outreach include:

- Working with job-ready individuals to provide career development and placement services;
- Access to training for those jobseekers needing more preparation; and
- Connection to local CBOs.

By directly connecting to the THWDP, these services create a customized pipeline of qualified job-ready candidates for New York City business tenants and ensure the preparation of New Yorkers for future career opportunities resulting from development.

Lessons Learned: Benefits to the Businesses

Ultimately, the THWDP helps businesses remain competitive by reducing costs, and creates a formal mechanism for increasing New Yorkers' access to the jobs created by development. Business tenants associated with the THWDP receive immediate, direct benefits as they work to open their new locations. By partnering with the City, these businesses save time and money associated with marketing, screening and hiring qualified candidates. This time and money savings can be applied to other important and competing priorities associated with opening a business. Additionally, through their partnership with SBS, businesses can take advantage of other City resources such as help with business incentives, license and permitting, and training programs for their employees.

Lessons Learned: Benefits to Community

Working collaboratively with the developer, the City ensures that local, New York City residents have access to new employment opportunities in their community. In partnership with the City's Workforce1 Career Center system, the local WIA-funded One-Stop system, and their Community Partner Network, outreach to local community organizations and individuals ensures that the THWDP targets are met. SBS works collaboratively with the developer, NYCEDC and the community to assess business opportunity and need as well as community and Citywide resources that ensure positive outcomes for both the business and jobseeker. This partnership increases hiring efficiency and increases the capacity of communities to serve their own businesses and residents.

Next Steps

- Move beyond pilot to standard integration of the program among all NYCEDC's land sales.
- Re-engage with research sites to share best practices and what has been discovered.
- Outreach to the workforce and economic development community to raise awareness, gain buy-in, about the program.

The formal integration of public workforce services into economic development projects in New York City ensures a continued and sustainable investment in our City's local communities beyond the Bloomberg administration. While the THWDP is currently in a beginning phase, its initial successes have proven to demonstrate both the appetite from businesses to participate and the benefit to the community from this effort. The added value for both of these stakeholders ensures that large and small businesses will continue to look to New York City as a place to do business and remain a driving economic force.