

THE ASSEMBLY STATE OF NEW YORK ALBANY

CHAIR
Subcommittee on
Oversight of Minority & Women-Owned
Business Enterprises (MWBE)

COMMITTEES Banks

Economic Development, Job Creation, Commerce and Industry Governmental Operations Housing Small Business

Social Services
MEMBER

Black, Puerto Rican, Hispanic & Asian Legislative Caucus Legislative Women's Caucus

December 4, 2015

Mr. John Banks President, Real Estate Board of New York 570 Lexington Avenue, 2nd Floor New York, NY 10022

Mr. Gary Labarbera President, Building Trades Council of Greater New York 71 West 23rd Street, Suite 501-03 New York, NY 10010

RE: MWBE participation component as part of 421a development projects

Dear Mr. Banks, Mr. Labarbera, and the Negotiating Team,

We, the undersigned members of the New York State Assembly and Senate, hereby support the following statement:

Currently, New York City and State are set to debate renewing the 421a Tax Abatement Program (hereafter "421a"). Any resolution of the 421A Tax Abatement Program must have a Minority and Women-Owned Business Enterprises (hereafter "M/WBE") component with a 30 % participation goal. We agree that the Governor's MWBE participation goal of 30% is rooted in the knowledge that M/WBEs historically have been excluded and therefore have not had access to economic opportunities that the state has had to offer in the form of procurement. It is doable and morally good for all of New York State.

The facts are disturbing enough. In New York City alone, the unemployment rate of Blacks remains at 12%, more than twice the rate of Whites. Additionally, the median income of African American households in New York is half that of White New Yorkers as reported by the US Congress in the *New York Daily News* on Friday, October 30, 2015. These facts underscore that without equitable access to opportunities, disparity in income restricts the ability to build wealth. The inclusion of M/WBEs will help to address this.

As we are deciding to enhance our tax code and provide abatements in a more comprehensive manner, there is an opportunity to address economic disparity and inequality. In order to do that a legal remedy is required – one that depends upon the principles of lawful inclusion and participation similar to our State Laws (Article 15A, and Local Law 1, 129, etc.).

Sadly, the latest disparity study showed that there is still a significant gap in the M/WBEs that are qualified and those that are being utilized as a result of disparate levels of discrimination that they have

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¹ New York Daily News, http://www.nydailynews.com/news/national/wealth-gap-blacks-whites-wider-report-article-1.2418379



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garnered, such as limited access to capital that would have contributed to their sustainability and growth. This trend is unsettling and must be reversed. It is an opportunity to remedy a history of policies enshrined in our laws that were meant to undermine women and people of color. After all, New York City's minority population accounts for 63% of the population,² and its female population accounts for 53%.³

We request that all future 421a development projects maintain a solid commitment to M/WBEs and that the representation of M/WBEs and their interests have a seat at the negotiation table with a determined set of utilization goals. This will not only demonstrate a real commitment to overcoming economic disparity but will also provide employment opportunities for a diverse workforce including local, talented, and skilled minority and women workers. The participation of M/WBEs will also help to encourage women and minorities to start their own businesses. In addition, M/WBEs will positively impact the bottom line of any big company with whom they are partnered because they often provide the best value. When more people prosper, we all benefit from a more robust economy.

We look forward to further engaging with you in our requests to address economic disparities, diversity in economic inclusion, and participation, which combined will help to bolster and strengthen M/WBEs. Our enthusiasm for any 421a remedy will be determined by the meeting of these stated goals.

Sincerely,

Rodneyse Bichotte Member of the Assembly

New York State

cc: Andrew Cuomo, Governor, New York State

Carl Heastie, Speaker, New York State Assembly

(Signatures page attached)

² United States Census Bureau, http://quickfacts.census.gov/qfd/states/36/3651000.html

³ Ibid



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Signature Page (421a MWBE)

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| Assemblymember Charles Barron | Assemblymember Gary Pretlow |
| Hussel S. Blake | [Signature on file] |
| Assemblymember Michael Blake | Assemblymember Diana Richardson |
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| Assemblymember Barbara Clark | Assemblymember Annette Robinson |
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