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**TESTIMONY OF NEW YORK CITY COUNCIL MEMBER MELISSA MARK-
VIVERITO BEFORE THE SUBCOMMITTEE ON HOUSING AND COMMUNITY
OPPORTUNITY OF THE HOUSE OF REPRESENTATIVES COMMITTEE ON
FINANCIAL SERVICES
JULY 20, 2009**

Good morning Representative Waters, Representative Velazquez, Representative Maloney, Representative Meeks, Representative Towns and Representative Weiner.

My name is Melissa Mark-Viverito and I am a Member of the New York City Council, representing the 8th Council District embracing the areas of East Harlem, Manhattan Valley and a portion of the South Bronx. I want to thank Representative Velazquez and the members of the Subcommittee and Committee for the opportunity to testify at this hearing on what promises to be two important pieces of legislation.

Within my district are several public housing developments operated by the New York City Housing Authority and, having represented this district for over three and a half years, I can speak with unfortunate familiarity of the difficulties that many of my constituents have in obtaining training for jobs that provide useful, career-oriented employment and the challenges faced by these constituents in seeking and receiving health care services. But before I proceed with my remarks, I would ask the Subcommittee to indulge me in one matter. As I understand it, this hearing was only recently scheduled and because of that there was little time to reach out to potential witnesses. Consequently, there was not enough time for me or my staff to gather data to address some of the specific questions posed in the invitation and I would hope that the record would be kept open in order for me to submit supplemental remarks that more directly address the questions posed.

Representative Velazquez's "Together We Can" Act establishes a pilot program which concurrently tackles two of the major hardships affecting public housing residents today: the lack of training and skills that leads to gainful employment, and an equally

dire need for greater supervision and care for elderly or disabled public housing residents, to which I referred earlier. As the proposed legislative findings note, in New York City, an elderly person is at the head of more than one-third of the households receiving HUD assistance, the highest percentage of any major urban center, matched only by Chicago. Unfortunately, there is a chronic shortage in the availability of providers of home-based health services, and residents of public housing are among the hardest hit as a result of this shortage. The pilot program that this bill creates will allow for many unemployed and underemployed public housing residents who lack the necessary skills to find work in the current economy to be trained in a profession with high demand, with the potential for great personal satisfaction and, at the same time, be able to assist their friends and neighbors.

The competitive grant program that will be run by HUD under this pilot program will also generate opportunities for a broad array of entities, such as public housing agencies, community health centers, and home care provider organizations, as well as faith-based and labor organizations, all of which may apply to receive these funds in order to train this new workforce. That the bill allows for this broad array of organizations to be eligible for training is important, since it ensures that we do not use a one-size-fits-all approach for all communities. One thought that I would like Representative Velazquez to consider is that the bill should require that the grant funds be spread out among two or more different types of organizations in each area in which the pilot program will take place, in order to better evaluate the effectiveness of each type of organization's training program and the quality of care that results from it. Another change to the bill that should be considered is a requirement ensuring that in each of the four "targeted areas" — Urban, Rural, Native American, and "non-State" populations — a statistically significant minimum number of residents of public housing are both trained and cared for through the pilot program in order to more realistically gauge its success on a wider-scale, even if greater appropriations are necessary; and, it must be also said that despite our present economic difficulties, the authorized appropriation for each of the three Fiscal Years involved should be increased beyond the \$2.5 million base amount and the \$2.5 million Secretary's discretionary fund. I would also suggest that with respect to the Secretary's discretionary funds, consideration be given to linking second and third financial assistance grants to the success of a grantee's training program up to that point, in addition to the criteria already set forth in the bill.

I believe that these changes would help to improve the pilot program that it implements, and they would not in any way detract from the fact that this proposed legislation marks an important step towards achieving two laudable goals: increasing useful training and employment options for public housing residents, and ensuring greater care for members of our society that are in desperate need.

Representative Velazquez's second piece of proposed legislation, the "Earnings and Living Opportunities Act" substantially amends Section 3 of the Housing and Urban

Development Act of 1968 — an important Section that is meant to generate employment and training opportunities for low- and very low-income individuals, particularly residents of public housing — but also a section which, unfortunately, as the legislative findings note, has not functioned as well as intended. It is certainly time for this existing legislation to be reformed in order to bring it into greater compliance with its original purpose, i.e., to use the significant amount of federal funds that go to HUD-financed projects in order to increase employment opportunities for those at the bottom of the economic ladder, and to increase contracting opportunities for those businesses that hire and train those who belong to that group. The Federal Government has an excellent opportunity through HUD programming to directly benefit low-income populations through training and employment, and now is an especially appropriate time to ensure that these opportunities are able to be utilized and to succeed, as President Obama's stimulus plan (The American Recovery and Investment Act of 2009) significantly increases the funding available to these programs, and thus amplifies the opportunity to revitalize low-income communities.

This bill addresses and attempts to rectify a number of the major problems that have befallen Section 3 since its adoption in 1968, including a lack of oversight and widespread non-compliance with its regulations. The proposed legislation establishes a series of substantive and procedural elements that should provide a sharper focus for the program's efforts. The first, mandating the creation of an Office within HUD designed exclusively for the administration of Section 3, will better assure compliance with the program. Establishing clear statutory priorities with respect to who is to be trained by recipients of HUD funds, and then employed by them, will better assure that residents of the development where the funds are expended followed by residents of the neighborhood will be the biggest beneficiaries of on-the-job training programs.

But the proposed legislation goes further and sets explicit percentages of low- and very low-income persons among those who are newly hired by recipients of HUD funding and mandates that they in fact actually be given paying work. This is an important improvement that has real potential for benefiting those who Section 3 was designed to help and is further enhanced by requiring that at least 10% of the value of contracts for work performed using HUD funds be allocated to businesses controlled by persons of low- and very low-income. The requirement that all recipients of HUD funding designate a coordinator to ensure that the goals and obligations of Section 3 are met and to increase community awareness of these opportunities, along with the required public hearings and other varieties of public disclosure on the progress and compliance with these sections are mechanisms that should lead to the desired level of compliance, but if there is a failure to comply, a community's residents will now know why.

Additionally, the reports to Congress that the HUD Secretary and the Government Accountability Office must provide should serve as an added incentive to ensure compliance at the local level. The bill also creates an arsenal of sanctions,

though it would perhaps be beneficial to create or enhance mechanisms to ensure that these sanctions are sufficiently utilized when appropriate. Perhaps the creation of the Office within HUD solely to administer Section 3 program will adequately address this concern.

Finally, the appropriation of funds for performance incentives above and beyond the minimum requirements are a useful way of increasing the participation of low- and very low-income individuals in the workforce, providing opportunities for their career advancement, as they offer tangible benefits to fund recipients, instead of relying solely on the threat of sanctions. Similarly, the emphasis, through a 20% set aside for a competitive grant program, that focuses directly on ensuring that low- and very low-income individuals and qualified businesses are being trained in and are focusing on cutting edge or high demand industries, such as energy efficiency, renewable energy, business incubators and healthcare, again offers real opportunities for those suffering the greatest economic deprivation to gain a foothold in the future of the American economy, and is a "non-sanction" incentive which should lead to greater success in the implementation of Section 3.

Both of Representative Velazquez's proposed bills have the potential to be beneficial for the poorest New Yorkers, particularly those who are public housing residents, as they provide important opportunities for training and employment in especially trying economic times, and I believe that they should be enacted.