



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

FOR IMMEDIATE RELEASE November 11, 2015
CONTACT: pressoffice@cityhall.nyc.gov, (212) 788-2958

UPDATED: MAYOR DE BLASIO ANNOUNCES PLANS TO INCREASE M/WBE ACCESS TO CITY HOUSING AND ECONOMIC DEVELOPMENT PROJECTS

\$20 million to assist firms secure financing

More projects in pipeline for small developers

NEW YORK—Mayor Bill de Blasio and Public Advocate Letitia James today announced new measures to increase the role of Minority and Woman Owned Business Enterprises (M/WBE) in City housing and economic development projects. The City will establish a new \$10 million predevelopment loan fund to help emerging firms secure financing to purchase land and get projects underway, as well as an additional new \$10 million fund to help those firms secure the bonds they need in order to qualify for City business. Additional reforms will reduce unnecessary barriers in the bidding process and break up larger projects to increase projects suitable for small and mid-size firms.

The de Blasio administration awarded over \$1.6 billion in contracts to M/WBE firms in Fiscal Year 2015 and is on track to meet the administration’s ambitious goal of awarding \$16 billion in M/WBE contracts across agencies over the next 10 years.

“When we open the door for minority and women-owned firms to compete, we’re investing right here in NYC. These new reforms will help level the playing field for smaller businesses. These changes will ensure more of the work we do to build affordable housing and strengthen communities will come right back to our city’s diverse entrepreneurs and businesses,” said **Mayor Bill de Blasio**.

“We are leading an aggressive effort to turn around the City’s historically poor record on M/WBEs and today’s announcement is a major step in building more fairness and equity in government contracting,” said **Maya Wiley, Counsel to the Mayor and M/WBE Director**.

“HPD is committed to ensuring a level playing field, and to broadening the pool of talented developers we work with to create and preserve the affordable housing that is so essential to fostering diverse, thriving neighborhoods,” said **HPD Commissioner Vicki Been**. “A more diverse industry is not only fairer, but improves competition, promotes community development, and spurs local job growth, all critical elements of *Housing New York*. The concrete, thoughtful steps Mayor de Blasio announced show that the City is serious about empowering minority and women owned businesses and nonprofits.”

“EDC is working to deliver on Mayor de Blasio’s vision for a strong and equitable economy where every community has access to opportunity,” said **NYCEDC President Maria Torres-Springer**. “This announcement brings us closer to that goal, helping small and emerging firms participate in City development projects by restructuring our procurement process and making capital more available. Engaging diverse partners on EDC projects will help us build even stronger neighborhoods for all New Yorkers.”

Among the reforms announced:

Increase Access to Capital

- **\$10 Million Predevelopment Loan Fund** – The NYC Economic Development Corporation will commit \$10 million in EDC funds to provide predevelopment financing to emerging developers which are otherwise unable to obtain such financing in the marketplace. The predevelopment loans will provide firms the capital they need to purchase land and make other necessary up-front investments.
- **\$10 Million Bonding Fund** – The City will also create a \$10 million fund to assist M/WBEs and qualifying small businesses in securing bonding in order to bid on and perform City projects. The bonding fund and program would help M/WBEs secure surety bonds required by State law as a prerequisite to being awarded work via City procurement or development.

Reduce Barriers in the RFP Process

- **Two-Step RFPs** – In the next calendar year, HPD will pilot a two-step RFP process. In the first phase, proposers would be able to submit a less expensive and intensive proposal. This would limit the upfront investments by non-viable proposers. Viable proposers would then complete a second-phase RFP that would require additional resources. Respondents who were deemed not viable in the first stage, or who were not selected in the second stage will receive feedback on how to improve their proposals, once the agency awards the RFP.
- **Remove Unnecessary Barriers** – HPD will rework some standard questions in RFPs that may pose undue barriers to M/WBEs. For example, rather than asking firms to demonstrate relevant experience within just the past five years, firms would be able to cite experience within the past ten years – enabling smaller companies that undertake fewer projects to better demonstrate their credentials.

Increase Awards to M/WBEs

- **Subdivide Larger Projects** – In each of the next two quarters, EDC will release RFPs in which larger projects are broken apart in order to provide bidding opportunities for smaller and mid-size firms.
- **Dedicated Project for Small Developers** – EDC will also utilize preferences for smaller developers to be equity partners with a larger developer on certain projects. HPD has recently issued an RFQ that pre-qualified M/WBEs that have completed department workshops for an upcoming RFP that will include six sites in three boroughs for exclusive bidding by pre-qualified firms.

The City reached a record-breaking number of certified M/WBEs in Fiscal Year 2015 – over 4,100. Roughly 1,500 of those – more than one-third – have been certified since the start of the de Blasio Administration.

In July, the Mayor issued a directive to all agencies proposing new accountability measures to increase M/WBE contracting. To help increase certification, the administration cut down red tape by making it easier to certify and re-certify online, introducing one-on-one certification application review sessions, and improving the Payee Information Portal to better identify and reach out to firms that are minority or women-owned, but may not be certified.

“Minority and women owned businesses have long been excluded from the City's procurement process. Many of these business have insufficient capital and legal guidance necessary to compete for City contracts. By providing loans and bonds to these small businesses, we are lifting up women and lifting up minorities. We are ensuring that these businesses have the same competitive advantage as other businesses. And by holding firms

accountable, we are ensuring that no firm is able to discriminate against women and minority owned businesses. I thank Mayor de Blasio for listening to the concerns of women and minority owned businesses throughout our city, and taking this decisive action to improve the status quo," said **Public Advocate Letitia James**.

"I'm very excited about the possibilities this new dedicated funding source holds for businesses and developers in communities of color. Access and opportunity are the tools needed to transform these businesses into strong competitors across the marketplace," said **Assembly Member Keith Wright**. "I will continue to work with my colleagues in State government to add to this latest accomplishment of Mayor de Blasio."

Council Member Robert E. Cornegy, Jr., Chair of the Committee on Small Business, said, "The de Blasio administration is demonstrating a sincere commitment to learning from MWBEs about the actual barriers to their success, and addressing them through policy, management and innovation, to create new opportunities with broad benefits to our city and individual firms. It's wonderful to be part of such a change, based in mutual respect. I'm excited to see these changes bear fruit, and to be part of this iterative process, as the relationship between the city and MWBE developers continues to evolve."

"I applaud Mayor de Blasio and his team for continuing to find ways to open the City's procurement door to minority and women owned businesses," said **Council Member Helen Rosenthal, Chair of the Committee on Contracts**. "After thoughtful review of the support systems currently in place, they are expanding access to loans, credit, legal and other professional services. The Administration has made it clear that they are determined to increase access to City contracts: big and small, with a particular emphasis on capital construction projects. I support their efforts and look forward to seeing MWBE's successfully walk through the door."

"For far too long, our city's M/WBEs have been absent from a thriving and financially powerful New York City economy. Only a handful of select and seasoned M/WBEs have prospered. Our city is at a crossroads, and I applaud Mayor de Blasio for recognizing that we can no longer accept a sub-standard M/WBE program. His leadership is essential in helping to usher in a new chapter. Together we can create a new generation of better informed and resourced M/WBEs," said **Council Member Laurie A. Cumbo**. "As Chair of the Women's Issues Committee, I am pleased that our city is taking the necessary steps to convene key stakeholders, unearth the challenges and create solutions. Together, we will empower all M/WBEs to prosper in an equitable manner by resolving their concerns, providing greater access to capital and broadening opportunities for small and mid-sized businesses. We see these actions as a solid and admirable starting point and we look forward to supporting our community and the Mayor in the evolution of an M/WBE program. We are certain that the city's new M/WBE provisions will be fruitful and rival any city's M/WBE program."

"I am proud to know that Mayor de Blasio and Public Advocate James are continuously examining ways to overcome income inequality by introducing solutions such as ensuring that M/WBEs are included in our City's procurement contracting process with HPD," said **Assembly Member Rodneyse Bichotte, Chair of the Oversight Committee on the Oversight of Minority and Women-Owned Businesses**. "This program addresses a common obstacle that M/WBEs face, capital access, which would allow these small businesses the opportunity to compete. This program will also help address the current disparities that have manifested for decades in the way the City has done business with minorities and women in the past."

"Companies owned by women and people of color have historically been denied access to the financing required to participate in housing and other economic development projects," said **Congresswoman Yvette Clarke**. "By providing support for companies owned by women and people of color to obtain critical predevelopment loans and sell bonds, New York City will increase opportunities for these companies to expand, creating jobs and building wealth in our community. I commend Mayor de Blasio for his commitment to this invaluable initiative."

"We need to make sure our minority and women entrepreneurs have the same opportunities as everyone else in the world of business," said **Congressman Elliot Engel**. "This fund will help smaller MWBE firms secure vital funding, and I applaud the Mayor for his commitment to this effort."

###