

THE CITY OF NEW YORK
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NEW YORK, NY 10007

FOR IMMEDIATE RELEASE: November 19, 2020

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**MAYOR DE BLASIO AND TASKFORCE ON RACIAL EQUITY AND
INCLUSION ANNOUNCE NEW REQUIREMENT TO GIVE M/WBEs AND NON-
PROFITS GREATER OWNERSHIP STAKE IN AFFORDABLE HOUSING PROJECTS
BUILT ON CITY-OWNED SITES**

NEW YORK—Today, Mayor Bill de Blasio and the Taskforce on Racial Inclusion & Equity introduced a new equitable ownership requirement to strengthen the role of Minority-and-Women-Owned Business Enterprises (M/WBEs) and non-profits on affordable housing projects developed on City-owned sites. The new equitable ownership requirement, implemented by the New York City Department of Housing Preservation and Development (HPD), will require that an M/WBE or non-profit partner holds a minimum 25 percent ownership stake in any affordable housing project awarded on public land.

“COVID-19 has exposed longstanding disparities in our society – including economic injustice at the core of the system. New York City is committed to changing that,” said **Mayor Bill de Blasio**. “M/WBEs and nonprofit developers deserve a real stake in developing affordable housing, and I’m proud to stand with them as we rebuild a stronger and fairer city.”

“Our City works best and everyone benefits when more people are able to participate in our economy with the support they need, regardless of their gender or ethnicity,” said **First Lady Chirlane McCray**. “This new directive will help level the playing field for entrepreneurs of color so they can build and grow businesses that strengthen and stabilize our local communities with good-paying jobs, while contributing to the vibrancy of our city.”

“Today is about something simple: giving so many more New Yorkers a real stake in our City, and in our recovery from the COVID-19 crisis,” said **Deputy Mayor for Strategic Policy Initiatives J. Phillip Thompson**. “This new requirement gives our entrepreneurs of color an opportunity to build, maintain, and operate affordable housing in their own communities – for the people they know best, while creating new jobs and economic growth.”

"Public land is an invaluable asset that must provide New Yorkers with what they most need: affordable housing and economic opportunities," said **Deputy Mayor for Housing and Economic Development Vicki Been**. "As we deliver on our ambitious affordable housing goals, the Equitable Ownership Requirement gives Minority- and Women-Owned Businesses and non-profits a stake in neighborhood development, ensuring that our city's growth is inclusive."

“Businesses of color and mission-driven non-profits are vital employers, service providers, and leaders within our city. Through this new Equitable Ownership Requirement, M/WBE's and non-profits will have a meaningful role and financial stake in reshaping local communities through development. As the City continues to make unprecedented affordable housing investments, this bold new policy will ensure more equitable economic growth and, through diversity, help

strengthen the affordable housing industry,” said **Sideya Sherman, Executive Director of the Taskforce on Racial Inclusion & Equity and EVP for Community Engagement & Partnerships at NYCHA**.

As the City advances its ambitious *Housing New York* plan with additional funding, strengthening and increasing opportunities for M/WBEs and non-profit developers is a key priority. To date, the Administration has made an unprecedented investment of \$6.64 billion in capital to finance 166,000 affordable homes. Moving forward, all Requests for Proposals issued by HPD to develop affordable housing will be subject to the new equitable ownership requirement. Under this new requirement, at least 25 percent of the project’s managing ownership interests must be held by the M/WBE or non-profit development partner, entitling it to at least 25 percent of the total economic benefits of the project, net of any tax credit limited partner interests.

“Under this Administration, we have embraced every opportunity to strengthen our relationships with and increase investments in M/WBEs and non-profit developers that share our deep commitment to the communities we serve,” said **Louise Carroll, Commissioner of NYC Department of Housing Preservation and Development**. “This new requirement gives M/WBEs and non-profits, which usually have deep roots in the communities we serve, a critical ownership stake in the affordable housing work that is essential to our recovery and the creation of a more equitable city.”

“This groundbreaking initiative powerfully demonstrates the Mayor’s commitment to increasing opportunities and participation for M/WBEs”, said **Jonnel Doris, Commissioner of NYC Department of Small Business Services and Small Business Sub-committee Co-Chair for the Taskforce on Racial Inclusion and Equity**. “Strengthening the requirement for M/WBE participation in local development builds on the commitment to grow our economy - by ensuring that communities have a financial stake in the growth of their neighborhoods.”

The new requirement also aligns with the vision of the City’s [Where We Live NYC](#) plan to build more integrated, equitable, and inclusive neighborhoods. Where We Live NYC calls for the City to make investments that address segregation, discrimination, and concentrated poverty. The new requirement will help reduce industry barriers for M/WBEs and non-profits, expand and diversify the city’s construction industry, and allow affordable housing spending to serve a greater diversity of New Yorkers. The new requirement will help to support that plan’s goal to accelerate opportunities for mission-based groups to create and preserve community-owned or shared-equity housing.

Ensuring that the development of public land for affordable housing includes meaningful participation from M/WBE and non-profits emerged as a key goal of the [Bedford-Stuyvesant Housing Initiative](#), a community-based planning effort started in 2019. Participants in the initiative emphasized the need for a new policy that recognizes how non-profits and M/WBEs are important partners in ensuring that new investments in affordable housing address local needs. A forthcoming RFP for the development of vacant land in Bed-Stuy will be one of the first projects to incorporate this new requirement.

To date, the City has launched a number of programs to strengthen M/WBEs and non-profits in the City’s development activities, including:

- ***M/WBE Build Up Program:*** This program aims to increase contracting opportunities for M/WBEs in the City's development activities. Through the program, projects receiving more than \$2 million in HPD or Housing Development Corporation (HDC) funding are required to spend at least 25 percent of those supported costs on M/WBE services. Since launching in 2017, the program has grown to 179 projects and is expected to generate over \$839 million in M/WBE spending. There has been over \$600 million in spending to date on MWBE contractors and subcontractors, and the program is on pace to exceed the expected spending.
- Since 2014, HPD's ***M/WBE Developer Capacity Buildings Series*** has trained over 90 emerging M/WBE developers and not-for-profits on how to work on City-financed construction and preservation projects.
- ***M/WBE RFP:*** In December 2017, HPD announced the winners of its first ever M/WBE dedicated RFP which contained six public sites. Five of these six projects have now closed, and the sixth is currently going through our financing and ULURP processes. This RFP was made possible through state enabling legislation. The second such RFP will be released by spring 2021.
- ***HPD M/WBE Build Out:*** This program offers networking and capacity building seminar series for contractors and professional service providers. Now in its fourth year, there have been several on-going quarterly seminars and four large networking events where development partners have recruited contractors for their projects.

"Affordable housing residents live in constant fear that their homes are under attack, and these fears are too often justified. They have seen that the people making decisions about their lives do not look like them. Fixing the institutional biases in public housing is a long and difficult process. Luckily, the new MWBE ownership requirement is an important step to insure that affordable housing works to serve the full diversity of New Yorkers. As chair of Commission on MWBE, I want to thank Mayor Bill de Blasio and the Taskforce on Racial Inclusion & Equity," said **Council Member Robert E. Cornegy Jr.**

"Supporting our M/WBE's is more important than ever, and I commend the Administration for ensuring that we continue to create more business opportunities and increase access to valuable government contracts during these challenging times. While we've made steady progress over the years, it's incumbent upon us to continue to support businesses of color, especially those owned by black women, which are significantly under-represented in the M/WBE program compared to their white counterparts. We are hopeful that this new requirement will assist in bridging this gap, in addition to supporting the non-profits that serve some of the City's most vulnerable, and look forward to the outreach and engagement ensuring these goals are met," said **Council Member I. Daneek Miller, Co-Chair of the Black, Latino, and Asian Caucus.**

"If we are truly to level the playing field for women- and minority-owned businesses to build wealth, we need to ensure that they are included and reflected in the work that advances our communities. This new equitable ownership requirement is a good step forward as we tackle a pandemic that has ravaged the most vulnerable in our city and in my district," said **Council Member Francisco Moya.**

"HPD's Equitable Ownership Requirement is a commendable step towards creating opportunities for minority developers. Every step towards acknowledging the disparity within the disparity, every step towards equitable participation for Black businesses, every step towards supporting Black business growth is a step in the right direction. I am confident that this

requirement will initiate an equitable shift across the affordable housing world,” said **Francilia Wilkins Rahim, CEO, R.F. Wilkins Consultants and Executive Director of the New York Real Estate Chamber.**

“As products of HPD’s M/WBE Developer Capacity Building Series and a designated developer under HPD’s M/WBE RFP, Type A is grateful for the great strides HPD has taken to prioritize doing business with women and minority owned firms. The City’s commitment has empowered M/WBE firms to overcome the barriers to entry into one of the most competitive real estate markets in the country. Mayor de Blasio and First Lady McCray’s newest efforts to further support the growth of M/WBEs and non-profits is unparalleled and will help to level the playing field in NYC towards building a more equitable city,” said **Annie Tirschwell, Principal, Type A Projects.**

“The initiative by the Taskforce on Racial, Equity and Inclusion demonstrates New York City’s solid commitment to equitable ownership by MWBEs, while addressing the issue of housing affordability. We look forward to working closely with HPD, as we continue to deliver high-quality housing in sustainable, resilient and modernized developments,” said **Dawanna Williams, Managing Principal of Dabar Development Partners.**

“In the midst of COVID-19, it’s more important than ever for the city to invest in our immigrant and low-income communities of color through equitable housing development and greater economic opportunity,” said **Thomas Yu and Jennifer Sun, co-executive directors of Asian Americans for Equality (AAFE).** “We applaud the city’s new equitable ownership requirement, ensuring that M/WBE firms and grass roots organizations have a seat at the table and the ability to shape community development. This policy will help foster long-term community stewardship of affordable housing in historically marginalized neighborhoods and provide women and minority-owned firms with the resources they need to thrive.”

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