



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

330 West 42nd Street, 26th floor New York, NY 10036
tel: 212-736-4536 fax: 212-947-9512
www.nyc.gov/mcb4

COREY JOHNSON
Chair

ROBERT J. BENFATTO, JR., ESQ.
District Manager

December 7, 2011

Speaker Christine Quinn
NYC Council
City Hall, Mailroom
New York, NY 10007

Honorable Gale Brewer
City Hall Office
250 Broadway, Suite 1744
New York, NY 10007

**Re: New York City Council Proposed Intro. 251-A
Fair Wages Act**

Dear Speaker Quinn and Council Member Brewer:

Manhattan Community Board 4 gives its support for Proposed Intro. 251-A, which would require the payment of a fair (living) wage to employees employed on property developed by recipients of financial assistance for economic development.

We applaud the leadership of you and your colleagues in trying to secure this economic assistance for thousands of New York City's workers who currently do not receive a living wage. We are especially interested in supporting legislation which will have a positive effect on wages and employment for the residents who work and reside in Manhattan Community District 4 (CD4).

The city spends millions of taxpayer dollars to subsidize economic development and create new jobs. More often than not, the jobs that are created are low wage with no benefits - whether it's retail, stockroom, mailroom, security or food service jobs.

CD4 is home to ongoing commercial developments and is very concerned that jobs from developments like these - that will and have received public taxpayer support - do not end up only providing mainly low wage jobs to the residents of our community.

The proposed Fair Wages Act attempts to do this by requiring that developers who receive major taxpayer-funded subsidies must pay at least a living wage for the jobs they create.

As currently framed, the Fair Wages Act will:

- Guarantee that workers in large development projects receiving public subsidies are paid at least the NYC living wage of \$10 an hour;

- Index the living wage to inflation so that it increases every year and keeps pace with the cost of living;
- Require that employees who do not receive health insurance from their employer receive an additional \$1.50 per hour wage supplement to help them purchase their own health insurance; and
- Apply the living wage guarantee to all workers at a subsidized development project, regardless of whether they are employed directly by the developer or by the project's tenants or on-site service contractors.

Other cities such as Los Angeles and San Francisco, in addition to 32 States across the country, already guarantee a living wage on publicly subsidized development projects. A recent study shows that the implementation of a living wage has **not** led to the lessening of economic development or job growth in the affected communities.¹

CB4 understands that this is an amended version of the act and that a numbers of changes have been made. Most importantly the following three exemptions have recently been included in the legislation:

- "Small business" is defined as having less that \$5 million in revenue, regardless of business expenses or bottom line gross profit;
- "Affordable housing" means projects where at least 75% of the units are affordable to families earning 125% of AMI; and
- Manufacturing businesses are exempt when located in properties developed for manufacturing use, but not if they are located in mixed use projects.

Manhattan CB4 applauds those employers that already provide their employees with a living wage and support any effort to work with public/private partnerships whose goal it is to bring these good operators into our community. Thus, CB4 offers its support for Proposed Intro. 251-A.

Sincerely,



Corey Johnson
Chair

¹ http://www.americanprogress.org/issues/2010/11/living_wage_cap.html