



**ERIC ADAMS**  
**BROOKLYN BOROUGH PRESIDENT**



**@BKBOROHALL**



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# **REAL RECOVERY NYC**

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Inequality leads to injustice. The Coronavirus Disease 2019 (COVID-19) crisis has laid bare existing inequalities in New York City in devastating ways. And the protests in our streets are a result of not only injustices in policing, but also the systemic failures of government to address the indignities faced by Black, Brown, and income-strapped communities that were already suffering from health and financial gaps that should have been closed long ago.

Bold steps are needed now to rescue the city from a long-term downturn due to the financial crisis. But as we launch our recovery, it is also the City's responsibility to recover the right way by addressing historical injustices once and for all. It would be unconscionable to rebuild the same shoddy structures that led to so much unnecessary, unequal death and pain. We must rebuild better and fairer.

Let's start with two numbers and work backwards: life expectancy and household income. The average life expectancy in New York City is 81 years. The average Black life expectancy is 77. The average Latino household earns \$37,489 a year; Black households earn \$42,602 a year; and white households earn \$80,301.

The goal is daunting, but clear: We must begin to close those gaps as we close our budget deficit. We must heal the physical and financial health of New Yorkers who are underserved and ignored. And we must get started now. This is how we do it without relying on State and Federal help that may never come.

## **DIVERTING WASTEFUL SPENDING FROM NYPD AND ACHIEVING LASTING REFORM**

The crisis of COVID-19 is inextricably linked to the unrest in our city's and nation's streets due to the decades-long crisis of police brutality. Righteous protesters, fueled by outrage over a litany of racial inequities, are demanding lasting reform that is inclusive of — but not exclusive to — a robust defunding of the NYPD. In fact, diverting wasteful spending from the third-largest agency operating budget in our city is essential to combating our deficit, and ensuring that budgetary waste is redirected toward Black and Brown communities is necessary for a real recovery, one where the City goes upstream to proactively tackle the feeders of the criminal justice system. Taking units out of the NYPD and moving them to another facet of City government is not achieving the mission at hand; the mission at its core is defunding reactive policing. For me, for so many reasons personal and not, it's natural that a plan begins here.

### **CIVILIANIZATION**

Early estimates, based on consultations with policing experts, suggest that approximately \$200 million in savings can be achieved by strategic civilianization of NYPD units where the existing ratio of police officers is simply not necessary. In general, this would entail an 80/20 split of civilians to police officers going forward in these units. Civilian titles are not only less costly to the City, they largely tend to be held by Black and Brown public servants who live within the five boroughs and thereby contribute more directly to the local economy. These savings would be coupled with a uniform headcount loss via attrition in these civilianizing units.

Examples of department-wide civilianization efforts that can be implemented immediately include (but are not limited to): the Barrier Section, which is responsible for putting up barricades at parades and related events; the Office of the Deputy Commissioner of Public Information, the communications arm of the NYPD; the Real Time Crime Center; the CompStat Unit, and the instructor ranks of the Police Academy. Some civilianization efforts could reap additional benefits. Civilianizing the Internal Affairs Bureau (IAB) may be an anti-corruption measure as well, for instance, employing counseling-type roles at the Juvenile Crime desk would lean on the principles of restorative justice and encourage a stronger community-police relationship in a key population. At the precinct level, the roles of crime prevention officer, integrity control officer, property clerk, and telephone switchboard (T/S) operator can all be civilianized (the operators alone account for approximately 300 positions citywide).

### **OVERTIME**

There are two general types of overtime: arrest and programmatic. Transferring more police officers to enforcement-related duties, a concept in line with civilianization efforts, would lead to a reduction in overtime because more personnel would be focused on the same data points. Personnel assigned to Saturday/Sunday regular days off can be reassigned to Friday/Saturday or Sunday/Monday, by default providing more personnel to fill the programmatic overtime.

Unnecessary overtime is also accrued by police officers reporting to court, where they can spend hours of inactive time waiting for their designated appearance instead of serving in the streets or conducting their administrative duties. Technology has made it possible to conduct some of these routine proceedings digitally, or to carry out desk responsibilities remotely. The City should immediately engage with the State on legislative reforms to authorize digital processing of policing paperwork as well as digital appearances for administrative court proceedings, for all parties in that proceeding.

### **FORENSIC AUDITING**

NYPD spending is notoriously opaque, which directly feeds budgetary inefficiency and waste. The Mayor and NYPD Commissioner must commit to forensic audits and transparent reporting by the New York City Office of Management and Budget (OMB) to get to the heart of the waste. Focus should be placed on contracts for equipment expenditures, including firearms and vehicles, as well as technology like data aggregation, facial recognition, and gunshot detection softwares. Without impeding on the primary goal of public safety, the goal must be to determine necessity and possible duplication either within the department or another City agency. Significant cuts can be made in this area that do not impede on uniform headcount, which serves in an active public safety role on our streets.

Additionally, every year the NYPD receives fluctuating amounts of money from the Federal government. These funds are used for a variety of sources. The guidelines have been relaxed over time and the NYPD now has more discretion to utilize these monies for various endeavors. Through greater transparency and stricter use of these funds for specifically intended utilities within the department, including in the areas of housing, school safety, and transit, millions of dollars can be diverted from the NYPD to more proactive youth engagement and community development expenditures outside the department.

These budget-driven reforms we should enact are one component of a greater reimagining of the NYPD that I have fought for since my days in 100 Blacks in Law Enforcement Who Care. In recent days, we have achieved significant victories on repealing Civil Rights Law Section 50-A, banning chokeholds, codifying false race-based 911 complaints as hate crimes, and formalizing the state attorney general as independent prosecutor in police murder cases. Going forward, I will fight for policy reforms such as independent evidence gathering in police murder cases; universal mandate for body cameras on all law enforcement officers working in the city; community review panels to interview, approve, and veto potential candidates for precinct commanders; significant boosting of de-escalation and implicit bias trainings for police officers, as well as enhanced psychological screenings for new officers with in-service re-evaluations.

## **CREATING A REAL RECOVERY**

We know what is needed to lift communities of color. The problem is that programs and initiatives that address inequality are not always prioritized — and, when they are, the City does not create adequate awareness that the programs exist or establish easy access to them.

True change and improvements to financial and physical health will occur when New Yorkers who need help are identified by the City and delivered help proactively. The City cannot wait for these New Yorkers to come to them. We must bring the City to the community.

To fund these programs, we must institute an agency-by-agency Inequality Impact Test, prioritizing spending that has the best chance of reversing historic financial and health gaps. That includes funding for our local health care safety net, investments in early childhood development and doula home visit services for new parents, and targeted allocations for initiatives that impact at-risk populations, such as the Summer Youth Employment Program (SYEP), life coaches for foster youth through Fair Futures, and universal dyslexia screening.

We can also immediately move spending within the City's budget, boosting resources for agencies upon which communities of color rely, shifting it from departments like the NYPD that are bloated and functioning inefficiently. In fact, we can entirely fund the initiatives below by simply bringing the NYPD budget back to its 2016 level. And we can also work with partners from the non-profit and business world who are willing and able to help New York reverse inequities.

The following agenda includes several initiatives to deliver help directly to those who need it the most and finally address the injustice and inequality that can no longer be ignored.

## **FINANCIAL SUPPORT**

### **ESTABLISH THE HEROES' EARNED INCOME TAX CREDIT (EITC)**

The vast majority of frontline workers are people of color or New Yorkers who struggle to make ends meet. The fastest way to ensure they have the financial resources they need and deserve is to simply boost the amount of EITC the City gives back to those workers on their taxes. We propose increasing the amount to 30 percent of the Federal return and allowing individuals who make up to \$100,000 and families who earn up to \$150,000 to benefit.

### **CREATE A LOCAL BANKING NETWORK**

As we saw with the disastrous implementation of the Federal government's Payroll Protection Program, big banks are either largely unable or unwilling to provide direct assistance to small businesses — particularly in communities of color. Fortunately, there are already community-based lenders on the ground that work with our local businesses, but they are undercapitalized and therefore unable to make loans and distribute government resources as needed. So the City must create a formal local banking network to address that need by determining where and how capital can be distributed most effectively, including acting as a financial "backstop" for the lenders, who can turn every \$1 in new capital into \$12 in loans and assistance to New Yorkers. We should then push big banks to invest in these lenders.

### **OPEN JOB TRAINING AND FINANCIAL ASSISTANCE CENTERS IN STOREFRONTS**

The COVID-19 crisis has put hundreds of thousands of New Yorkers out of jobs to which they may never return. For those New Yorkers and others who are unemployed, job training and bridge financial assistance will be vital for them to get back on their feet and thrive. To address this need for services, the City should significantly expand access to these programs and reimagine existing efforts such as Workforce 1 Career Centers by partnering with job training and job placement providers, financial services companies, large New York employers, local organizations, and landlords with open storefronts to create all-in-one service centers and outreach programs so that New Yorkers have far-greater access to help than they did before the crisis. We should also offer New Yorkers who participate in the program financial compensation so that they are able to take the time it will require to complete training. This initiative can be paid for largely through foundation aid from non-profit partners. A priority should be placed on high-priority job sectors, such as cybersecurity, nursing, and telehealth, and on digital skills development that supports an increasingly technology-dependent job market. Further development of this initiative should be done in partnership with workforce development experts such as New York City Employment and Training Coalition (NYCETC) and Per Scholas.

### **INCENTIVIZE COMPANIES TO HIRE LOCALLY**

To keep good jobs in New York and advance our goals for a fairer economy, the City should reward businesses that hire local workers — especially on City-financed projects. Specifically, businesses should be asked to commit to hiring 90 percent city-based workers, prioritizing M/WBE contractors, and ensuring their contractors pay a living wage, certain benefits, and report their workers' residency and ethnicity statistics. Employers who agree to these terms could benefit from tax breaks and special consideration for City contracts.

## **PAY FOR ACCESS TO TECHNOLOGY WITH A DATA SALES TAX**

By employing a data sales tax on multi-billion-dollar technology companies that profit off our personal data, we can create revenue that will go directly to efforts that address inequality, such as direct health care and financial services. This revenue would also be used to close the technology gap by funding new programs that improve Wi-Fi and information access in NYCHA and schools, as well as technology training for job skills.

## **SEED ECONOMIC DEVELOPMENT**

To jumpstart our economic recovery, we should invest in green infrastructure projects that will generate quality local jobs and economic stimulus, as evidenced by studies from organizations such as the Trust for Public Land. The City should explore a municipal bond program for projects to create that activity, including wind power, grid efficiency, retrofitting solid waste processing to handle organics, transit infrastructure, and traffic controls to reduce idling. The long-term resiliency cost savings will be an added and substantial dividend.

## **PROVIDE RELIEF TO SMALL BUSINESSES**

We propose a new five-chamber back office assistance program — run out of each borough's chamber of commerce — that can begin to provide critical services to a number of M/WBEs and other small businesses citywide, including tax and accounting services; assistance with accounts payable/receivable, payroll, and tracking expenses; compliance assistance with Federal, State, and City regulations; information and assistance with business relief loan paperwork, and matching small businesses with community banks.

Many M/WBE and other small business owners are currently in what are known as “triple net” leases, in which they are responsible for paying property taxes in addition to rent. We call on the City to allow deferral and payment plans, with no penalty, for property taxes incurred during the shutdown by small business triple net leaseholders who are financially distressed.

Additionally, we ask the Governor to issue an Executive Order stating that COVID-19-related furloughs and layoffs will not be charged against employers for purposes of calculating the experience ratings that determine their unemployment insurance tax rates.

# **HEALTH CARE**

## **ESTABLISH THE “HEALTHY NY” TAX CREDIT**

Lack of access to proper health care, healthy food, and exercise has been a significant contributor to the disproportionately negative impact of COVID-19 on people of color. And it is unfortunately not enough to offer healthy food and lifestyle choices to the New Yorkers who need to take advantage of them. To change behavior, we also need to offer immediate incentives. The “Healthy NY” tax credit would allow any New Yorker who qualifies for the EITC to get an additional \$500 return on their City income taxes by completing a number of health milestones throughout the year, including a free annual check-up, membership in a subsidized healthy foods program like the Food Retail Expansion to Support Health (FRESH) initiative, meetings with nutritional experts such as those in the Bellevue Hospital healthy living program, and participation in free, safe, organized exercise — all of which would be provided by the City or covered by a participating employer or insurer.

In addition, in the next fiscal year, this tax credit could be expanded for New Yorkers who are at significant risk of contracting COVID-19 because of a pre-existing health condition, adding to unemployment benefits, and helping pay for health care costs not covered by insurance or government programs through the credit. This will allow those New Yorkers to stay home and decrease their exposure to the virus while also slowing the spread for the greater population.

## **DELIVER BETTER HEALTH TO NEW YORKERS**

To get proper health care and preventative care, including healthy food to all of the people who need it, the City cannot rely on New Yorkers to reach out — the City must go to them. By training and deploying an army of community health workers, which includes volunteers as well as re-assigned City workers, we can significantly increase access to existing health services and address basic health issues without appointments and travel. To do that, we can partner with community and faith-based organizations that are already on the ground in vulnerable communities, working through a shared platform that incorporates New York City Department of Health and Mental Hygiene (DOHMH) and New York City Health + Hospitals resources.

We must also create a connected online platform that can be accessed by phone or computer so that telehealth services are easily available to all who want them. But rather than pay for that ourselves, we should partner with private health and technology firms and philanthropic groups willing to help New York in this historic effort. In the short term, this program can be used to distribute personal protective equipment (PPE) to high-risk New Yorkers and essential workers as well as test them for COVID-19.

Finally, we should open health centers in New York City Housing Authority (NYCHA) complexes and partner with storefront medical providers such as CityMD to open offices in lower-income areas to provide basic services in return for tax breaks and other considerations. And we should retroactively allow building owners to convert retail spaces into community facilities space to accommodate them, allowing those landlords to receive property tax breaks on their buildings or density bonuses on new buildings in exchange for the space.

## FIGHTING THE DEFICIT

Difficult times require difficult decisions about reducing City costs. As of now, the City faces a \$9 billion deficit that can only be partially addressed by drawing down on our limited reserves, other accounts, and savings created by refinancing our existing debt. It is also yet unclear what, if any, additional financial support will arrive from the Federal government. Indeed, we may see further cuts from both the Federal government and the State.

So, in addition to the NYPD budgetary reforms outlined above, we must find further cost reductions that address both the current deficit and structural financial issues that may be created by a prolonged and significant drop in revenues related to unemployment and a local economy in recession. We must also continue to prioritize the needs of struggling New Yorkers, avoiding the cuts that most negatively affect those communities.

The most responsible approach is to ready cost-saving initiatives for the City to employ at different levels of economic distress so that the most painful cuts — trimming the City's core workforce and vital services — are only made as a last resort. Similarly, borrowing to pay for the City's operating costs should be avoided as much as possible so that we do not simply delay even greater pain. New taxes should also be avoided — but we must still assess our ability to raise revenue now so that we are prepared for the most dire circumstances.

Here are ways to close the gap at different deficit levels, assuming approximately \$7.4 billion in savings already proposed by the City, including cautiously drawing down on reserves, as well as other savings such as refinancing the City's debt. It is also likely though that the City will face even greater deficits this coming fiscal year and next as revenue drops and the State makes its own budget cuts. So, we must be prepared for an even larger hole going forward.

Each successive tier in the following deficit reduction plan includes the savings in previous tiers:

### DEFICIT = \$1-3B

- Immediately engage in a robust agency-by-agency budgetary review to identify tiers of savings, from five to 10 percent, finding every possible efficiency, including reining in consultant spending and streamlining agency operations. This will entail an across-the-board examination of expenditures, prioritizing agency efficiency and unproductive programs over personnel cuts and programs upon which vulnerable New Yorkers rely for their health and safety. These efforts should also include a significant reduction of the City fleet and transition to interagency vehicle-sharing. These efforts should not include cuts to programs that effectively tackle the very historical racial inequities we seek to close, such as SYEP and Fair Futures.
- Create a committee of IBO leadership and fiscal experts from outside government to submit a report to the Mayor and the City Council by the end of the second quarter of FY21, and then for at least the next two fiscal years thereafter, as a standing Program to Eliminate the Gap (PEG). The council should then be required to vote on the suggestions each year. There should be a documented diversity mandate for this committee's membership.
- Identify City employees who can work from home flexibly, starting with those working in an administrative and/or clerical capacity, and develop a plan for exiting unnecessary City leases for office space. The City should also assess office space within the New York City Department of Citywide Administrative Services (DCAS) portfolio and the capacity for conversions to 100 percent affordable housing use, as a manner of repurposing municipal resources to meet the pressing need of housing insecurity.
- Reform our contracting rules and processes to better monitor vendor performance in real-time and renegotiate or eliminate unnecessary or unproductive agreements.

### DEFICIT = \$3-6B

- Reduce the overall City workforce through attrition by not replacing workers for at least one year. The City reduced its workforce by more than five percent mostly through attrition in the four years following the Great Recession.
- Eliminate positions filled by political appointees who serve in advisory or administrative functions. This should include hundreds of positions at City Hall, the City Council, offices of the borough presidents, and the office of the public advocate.
- Expand the role of franchises in the city to handle capital costs on infrastructure in return for multi-year service contracts.

### DEFICIT = \$6-9B

- Temporarily furlough City workers who would qualify for unemployment benefits that make them whole. The CARES Act fully covers workers who make up to \$60,000, and they will not lose any income. The City would also continue to provide benefits.
- Increase agency cost savings by an additional three percent by eliminating positions based on an analysis that identifies positions most- and least-necessary to the health and safety of our most vulnerable New Yorkers.

### DEFICIT = \$9B+

- Establish an Ultra-Millionaire's Tax by creating a new top City income tax rate tier for New York City residents who earn \$10 million a year or more.
- Establish a Pied-à-Terre Tax surcharge on luxury homes and apartments in New York City worth more than \$5 million that are not a primary residence, escalating gradually up to \$25 million in value.