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February 17, 2021

Chair Rosenthal and members of the City Council Subcommittee on Capital Budget, thank you for the opportunity to provide testimony regarding restarting the City's Capital Program in light of COVID-19.

The New York Building Congress' membership consists of more than 550 constituent organizations and 250,000 skilled tradespeople and professionals, including architects, engineers, contractors and labor, many of whom design and build the projects that improve our city. As such, we urge the City to restart its projects and fund the Capital Budget at pre-COVID-19 levels in the forthcoming FY22 Capital Commitment Plan.

New York City's Capital Budget is a testament to our collective investment in the future of this great metropolis. The Capital Budget is the mechanism to invest in schools, parks, water and sewage infrastructure, roads and bridges and all the equipment that supports various departments and critical staff. In short, while the Expense Budget helps keep the lights on, the Capital Budget is how we ensure that our city is in a state of good repair. It provides critical services to all New Yorkers and affects the livelihoods of many thousands of workers and businesses. The Capital Program is fundamental to the region's economic well-being and must be an essential component of economic recovery.

While we understand the extraordinary circumstances that led to the PAUSE orders in the spring of 2020, today, with many sectors of the building industry able to restart work, the City is fully in control of the investments in capital projects that remain paused. Extended pauses today will only make projects more expensive over time. As a City on the cusp of recovery, we must remain optimistic in our recovery efforts by taking a long-term view of our economic situation and not just aim to resolve a short-term crisis.

To better understand the specific effects of the pandemic and the building industry's outlook on the construction market, the Building Congress conducted a member survey between August and September 2020. We found that eighty-two percent have been negatively impacted by COVID-19 and a majority had a low level of confidence that the NYC construction market will provide them with new business opportunities in 2021 and 2022.

In the latter half of 2020, we were encouraged to see that the City's Office of Management and Budget began to ease restrictions on spending for pre-construction work, such as design, as well as construction itself. However, continued pauses remain on several critical infrastructure projects, significantly impacting the livelihood of firms doing business with the City, and by extension their employees.

MWBEs are particularly vulnerable to the sudden pauses in contracts. While larger firms have the financial capacity and borrowing authority to handle expenses and sustain themselves through difficult periods, MWBEs and smaller firms do not enjoy these privileges. In our recently released *Construction Outlook Update: Workforce Snapshot*, we noted that 73.3 percent of all construction workers resided in the five boroughs, 63.8 percent identified as non-white, 34.2 percent identified as non-citizens and 9.5 percent were women. As you can see, constraints on spending that can lead to layoffs or furloughs will have a detrimental impact on vulnerable New Yorkers.

To continue the road to economic recovery, we must heed the lessons of those who came before us. History shows that infrastructure spending has a multiplier effect for the economy and large investments in public works during times of emergency have a track record of transforming the city, creating good-paying jobs, and spurring wider economic activity.

That is why we ask that the City Council advocate for the full restart of paused City Capital projects. We look forward to working with you to advance this effort. Thank you for your time and consideration.