



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007
EXECUTIVE ORDER No. 7

September 30, 2014

LIVING WAGE FOR CITY ECONOMIC DEVELOPMENT PROJECTS

WHEREAS, The City of New York (the "City") is committed to a program of economic development that preserves the diversity that is fundamental to the City's prosperity and that prioritizes the creation of jobs that pay no less than a Living Wage and serve as gateways to the middle class;

WHEREAS, the City, as a promoter of economic development, commits significant resources to development projects that provide substantial benefits to the public;

WHEREAS, City funds used in furtherance of economic development projects that receive Financial Assistance should be used to encourage the creation of Living Wage jobs that provide economic opportunity and serve as models to employers across the City;

WHEREAS, payment of living wages has been demonstrated to yield improvements in employees' productivity and growth in their spending power, thus generating returns to the City and the economy through expansion of the City's tax base, growth in private spending and reduction in demand for City services;

WHEREAS, the President recently recognized the value of living wages by instituting a requirement that employees of federal contractors receive a wage of at least \$10.10 per hour, and major cities have, in recent months, set minimum and living wage rates in excess of that amount to account for economic conditions distinct to urban areas; and

WHEREAS, the City seeks to take clear and decisive action to implement Section 6-134 of the Administrative Code (the “Fair Wages for New Yorkers Act”) and strives to achieve Living Wage jobs in accordance therewith;

NOW, THEREFORE, by the power vested in me as Mayor of The City of New York, it is hereby ordered:

Section 1. Definitions. Capitalized terms used but not otherwise herein defined shall have the respective meanings set forth in the Fair Wages for New Yorkers Act.

“Additional Covered Employer” means any of the following entities or persons:

(a) a Subsidy Recipient, (b) a tenant, subtenant, leaseholder or subleaseholder of a Subsidy Recipient that occupies property improved or developed with Financial Assistance, (c) a concessionaire that operates on the property improved or developed with Financial Assistance, and (d) a person or entity that contracts or subcontracts with a Subsidy Recipient to perform work for a period of more than ninety days on the premises of the property improved or developed with Financial Assistance, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term “Additional Covered Employer” shall not include (i) a person or entity of the type described in Section 6-134(d)(2),(3),(4) or (5) of the Administrative Code; (ii) an entity that has annual consolidated gross revenues that are less than the Small Business Cap or the revenues of which are included in the consolidated gross revenues of an entity having annual consolidated gross revenues that are less than the Small Business Cap, in each case calculated for the fiscal year preceding the fiscal year in which the Project Agreement is entered into and determined in accordance with generally accepted accounting principles; or (iii) any otherwise covered entity operating on the premises of a project where residential units comprise more than 75% of the project area and all of the residential units are subject to rent regulation.

“Administrative Code” shall mean the Administrative Code of the City of New York.

“Financial Assistance” shall have the same meaning as set forth in Section 6-134(b)(7) of the Administrative Code. All determinations of the existence or the amount of Financial Assistance in a land sale or ground lease transaction shall be based upon an independent appraisal acceptable to the City or City Economic Development Entity of the value of the land or ground lease.

“Living Wage” shall have the same meaning as set forth in Section 6-134(b)(9) of the Administrative Code and shall be adjusted annually in accordance therewith; provided that, as of the effective date of this Order, the living wage rate shall be eleven dollars and fifty cents per hour and the health benefits supplement rate shall be one dollar and sixty three cents per hour. The living wage rate and health benefit supplement rate shall be announced no later than January 1 of each year by the Commissioner of Consumer Affairs.

“Small Business Cap” shall mean three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the Living Wage Rate and using the methodology set forth in Section 6-134(b)(9) of the Administrative Code.

“Subsidy Recipient” shall mean any entity or person that receives Financial Assistance, or any assignee or successor in interest of real property improved or developed with Financial Assistance, provided that the term “Subsidy Recipient” shall not include a City agency or a City Economic Development Entity.

“Qualified Workforce Program” shall mean any training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations. The Director of the Mayor’s Office of Workforce Development shall, in consultation with the Commissioner of Small Business Services, publish a list of such programs.

§ 2. Living Wage Policy. Additional Covered Employers, including those that are Covered Employers under the Fair Wages for New Yorkers Act, shall be required to pay their Employees no less than a Living Wage. The requirements of this Section shall apply for the longer of the term of the Financial Assistance or ten years from the later of the date of commencement of the project or the date that the project commences operations.

§ 3. Implementation. Each City agency and City Economic Development Entity shall take appropriate steps to ensure that the policies set forth in this Executive Order are fully implemented to ensure payment of no less than a Living Wage by those employers identified in Section 2 of this Order.

§ 4. Conflicts with Other Programs. The provisions of Section 6-130 of the Administrative Code (“Prevailing Wage for Building Service Employees in City Leased or Financially Assisted Facilities”) shall supersede any conflicting provision of this Order. In the event that an Additional Covered Employer that is not a Covered Employer under the Fair Wages for New Yorkers Act works significantly with a Qualified Workforce Program, Section 2 of this Order shall not apply, but the City or the City Economic Development Entity (as applicable) shall, to the extent practicable without impairing the goals of such Qualified Workforce Program, use its best efforts to cause such Additional Covered Employer to pay no less than a Living Wage to its Employees. In addition, should the Deputy Mayor with jurisdiction over the City agency or City Economic Development Entity granting the Financial Assistance make a specific finding that a particular project contributes to the economic well-being of the City and cannot reasonably be achieved consistent with the requirements of Section 2 of this Order, such Deputy Mayor may exempt specific employers connected with that project from the requirements of Section 2 of this Order.

§ 5. Enforcement. The City and City Economic Development Entity shall incorporate provisions into contracts and agreements that award Financial Assistance to carry out the

requirements of this Order. Such provisions shall include the right to impose, at the discretion of the City or City Economic Development Entity, remedies on terms consistent with the remedies set forth in Section 6-134(g)(2) of the Administrative Code. The City or City Economic Development Entity may refrain from imposing any contractual remedies until the time required under Section 6-134(g)(7) of the Administrative Code.

The Commissioner of the Department of Consumer Affairs shall be the official responsible for undertaking those duties described in Sections 6-130(d)(1), (4) and (6)-(7) and 6-134(g)(2)-(7) of the Administrative Code and for seeking redress for violations of Section 2 of this Order, and shall develop procedures for discharging those duties; provided that with respect to each Additional Covered Employer that is a Covered Employer under the Fair Wages for New Yorkers Act and is not exempt under Section 6-134(d) of the Administrative Code, this Order shall not be construed to infringe upon the Comptroller's responsibility for monitoring compliance with, and conducting investigations under, the Fair Wages for New Yorkers Act.

§ 6. Effective Date. This Order shall take effect immediately, provided that its requirements shall not apply to projects authorized or Financial Assistance awarded prior to the effective date of this Order. In addition, this Order may not be applied in a manner that will interfere with contracts or agreements entered into by the City or any City Economic Development Entity prior to the effective date of this Order.

A handwritten signature in black ink, reading "Bill de Blasio", is written over a horizontal line.

Bill de Blasio
Mayor