



1133 Westchester Avenue, Suite S-217
White Plains, NY 10604
www.westchester.org

WESTCHESTER COUNTY 2023 CAPITAL BUDGET RECOMMENDATIONS AND CONTINUED USE OF STATE AND LOCAL FISCAL RECOVERY FUNDS PURSUANT TO THE AMERICAN RESCUE PLAN ACT OF 2021

Last year during the formulation of the Westchester County Budget, the Westchester County Association (“WCA”) provided budget comments targeting the use of state and local fiscal recovery funds (“FRFs”) made available pursuant to the American Rescue Plan of 2021 (“ARPA”). The WCA set forth eight specific recommendations in three broadly defined categories: (1) support for our regional healthcare sector; (2) support for real estate and fair housing; and (3) and support for digital connectivity and bridging the digital divide. The County has recently released its draft 2023 capital budget. Notably, there remains greater than \$100 million in County ARPA funds to be utilized. Pursuant to law, these funds must be incurred (obligated) by December 31, 2024 and expended by December 31, 2026 or they will be forfeited. The WCA herein reprises each of its prior recommendations.¹ In addition, the WCA adds the following recommendations.

Recommendation 1: Support the employment needs of our healthcare sector by providing additional funding for the County’s successful Healthcare Talent Pipeline Program.

Earlier this year, the County partnered with the WCA, Westchester Community College, the Westchester Putnam Workforce Development Board, numerous hospitals and healthcare groups, and other nonprofit service providers to fund a program to recruit, train, and place approximately 100 job seekers in high-demand healthcare jobs with good benefits and career advancement opportunities (the “HTPP”). For a total investment of \$963,000 (\$463,000 from the County, \$408,000 from the WPWDB, and additional contributed capital), the anticipated annual return on investment in economic impact is greater than four to one and closer to eight to one for the County’s piece alone.

Since inception this Spring, the HTPP has been a resounding success and demonstrates an ongoing need. Less than one third of the way into the program, the HTPP has already enrolled 110 students, eclipsing its total program target and with a greater than 90 percent curriculum completion rate. Our employer partners already report dozens of hires. These employers include White Plains Hospital, Memorial Sloan Kettering, ENT & Allergy Associates, and Mount Vernon Neighborhood Health Center. An overwhelming percentage of participants are black or Hispanic and over 90 percent are female. The program also has received favorable coverage in the press and was highlighted in the County Executive’s most recent state of the county address.

¹ See 31 C.F.R. § 35.5, Coronavirus State and Local Fiscal Recovery Funds Final Rule, 87 Fed. Reg. 4338, at 4448 (Jan. 27, 2022) (“Final Rule”).

Meanwhile, the talent need remains acute. **The number of unfilled healthcare jobs in Westchester is 5,737 and represent 32 percent of the total number of job openings across all industries according to Indeed.com. Pointedly, there are ten times more unfilled certified nurse assistants, medical assistants, and medical administrative assistant jobs than the HTPP is currently training.** The WCA's Healthcare Consortium members confirm that recruitment remains their biggest challenge.

Accordingly, the WCA requests funds to extend and expand the HTPP through the end of 2024 to train and place more job seekers with our regional healthcare providers. The training and support service providers will remain the same and additional employers who have already expressed need can be added. **A formal budget proposal will be provided upon request.**

Recommendation 2: Target housing development. Use ARPA Funds to Incentivize Market Rate Developers to Build More Affordable / Workforce Housing and to Reward Local Municipalities that Adopt Zoning and Land Use Regulations Supportive of Such Development.

The County's 2023 proposed capital budget includes another round of historic investment in affordable housing \$90 million in total with \$50 million in ARPA funds earmarked for this effort. The Treasury's Final ARPA Rule provides added flexibility to encourage the development of affordable housing. The WCA advances the following five proposals.

- a. An "Opt-In" Incentive: Create a fund to offer low-income / workforce housing credits or other gap financing for market rate projects that are willing to exceed a 10 percent threshold of affordable / workforce units. A credit can be used to subsidize construction and development costs and to make necessary infrastructure improvements such as roads and sidewalks, water, sewer, and broadband.
- b. Protect Existing Housing Stock: Create a grant program for multi-family preservation and revitalization. The County's 2019 Housing Needs Assessment identified a significant portion of affordable housing units in need of repair and reinvestment.
- c. Coordinate Funding and Technical Support to Local Governments: There is renewed interest in master planning and rezoning initiatives at the local level to encourage proactive local planning designed to increase housing supply and affordability. This is particularly difficult with overlapping municipalities and school districts and in smaller jurisdictions where local capacity and expertise is often lacking. With proper funding and prioritization, the County Department of Planning can assist with technical support and guidance to those municipalities who commit to addressing their housing needs. Direct financial assistance for master planning should also be provided.
- d. Prioritize Infrastructure Investment: Supplement existing funding for infrastructure projects in those local communities that have taken meaningful action on housing or that provide concrete plans for increasing housing. Local efforts such as increased density allowances near transit hubs and downtown areas, increased height or coverage for developments exceeding a 10 percent affordable / workforce threshold, zoning for accessory dwelling units, adapted reuse of outdated or obsolete commercial buildings, and adoption of the County's model affordable housing (or similar) ordinance should be championed and rewarded.
- e. Pilot Financing for Adaptive Reuse: The State enacted the Housing Our Neighbors with Dignity Act ("HONDA") financing program to encourage the conversion of failing hotels and other commercial space to housing. The focus was on New York City and Westchester was not included. We have seen our share of recently defunct hotels, convention centers, and office

complexes. Piloting a program of short-term financing would test the efficacy of this approach in Westchester.

Recommendation 3: Create a “Connect Westchester” County-wide Digital Navigator Program to provide basic digital inclusion services to thousands of residents in unserved and underserved communities throughout the County.

The U.S. Treasury Department’s ARPA Final Rule confirms with additional clarity that ARPA funds can be used to address challenges with broadband access, affordability, and reliability – even in areas where broadband infrastructure exists. Specifically enumerated appropriate uses “include a wide range of programs and services to expand internet access and digital literacy, such as subsidies for the cost of internet service, other programs that support adoption of internet service where available, digital literacy programs, or programs that provide devices and equipment to access the internet . . .”² ARPA funds are currently being used for digital inclusion and digital navigator projects in places such as Baltimore, MD; Long Beach, CA; Denver, CO; the State of Ohio; Portland, OR, Seattle, WA, and Syracuse, NY.

The WCA has previously advocated to advance county-wide digital adoption as both an economic driver and community builder. The Westchester Children’s Association’s recent digital access survey provides additional support for this need. According to this survey, there are systemic problems with digital literacy and connecting to businesses. Most enlightening, 70 percent of respondents were not aware of government affordability programs such as the federal Affordable Connectivity Program.

The WCA, together with the City of Yonkers, STEM Alliance, Yonkers Partners in Education, and others, is currently piloting a digital navigator program in Yonkers that closely matches the explicit expectations of ARPA funds. Made possible by a State Community Development Block Grant and based off the National Digital Inclusion Alliance model, the goal is to provide one-to-one basic digital inclusion services – connectivity assistance, device assistance, basic digital skills and technical support – by employing the National Digital Inclusion Alliance “Digital Navigator” model. The Digital Navigator establishes relationships of trust, determine what clients needed to meet their personal connectivity goals (reliable phone access, affordable internet accounts, devices, general or application-specific skills), gauge their motivation to participate, present options and formulate a plan with each client. In addition to the services, analytical and survey data is collected to provide roadmaps for expansion and further adoption.

The WCA’s digital navigator pilot is designed to ensure community members have access to critical resources and services that have moved online due to the pandemic. It also supports outreach efforts to help residents successfully apply for low-cost connectivity resources such as the Affordable Connectivity Program for internet discounts and device vouchers. It should be scaled up and deployed in additional, select communities where the digital need is most acute and where investment can maximize outcomes. **A formal “Connect Westchester” digital navigator program proposal will be provided upon request.**

² Final Rule at 4362, 4417, 4421.

Recommendation 4: Conduct a countywide climate change resiliency study and assess current stormwater and flood mitigation infrastructure needs. Provide assistance for businesses still struggling with the impacts of the pandemic which were also impacted by Hurricane IDA .

The use of ARPA funds for improvements in water and sewer infrastructure is expressly permissible. These uses are interpreted broadly by Treasury to include systems that manage, reduce, treat, or recapture stormwater as well as flood mitigation programs and floodplain management.³ The Treasury’s final rule overview expressly deems eligible projects which focus on “resiliency measures needed to adapt to climate change.”⁴

Meanwhile, the importance of flood management to Westchester’s businesses and residents continues to take on heightened importance. For example, the Governor’s Office of Stormwater Recovery is working to provide tens of millions of dollars in disaster funds to Westchester in response to Hurricane IDA alone. However, most of that money will be spent to assist homeowners and renters and none of that money is currently earmarked for businesses.⁵ Even before Hurricane IDA, local municipalities were seeking regional collaboration to respond to threats from sea level rise and coastal storms. These communities recognize that existing local plans and zoning codes do not address current and future risks.⁶

Stormwater management and climate adaption is a watershed issue and does not respect municipal boundaries. We need proactive steps at the regional level to address climate adaption to help minimize reactive funding for disaster relief. A County-wide study is needed to identify and address the risks of climate change to our economy, our businesses, our communities, and our most vulnerable members. Meanwhile, the County should provide financial relief to those businesses (primarily small businesses) who were left out of the Governor’s Hurricane IDA relief program.

Respectfully submitted,

November 2, 2022



President & CEO
Westchester County Association

³ See Final Rule at 4395, 4414, 4416.

⁴ Coronavirus State and Local Fiscal Recovery Funds: Overview of the Final Rule, U.S. Dept. of Treasury (January 2022) at 37. [SLFRF-Final-Rule-Overview.pdf \(treasury.gov\)](#).

⁵ See e.g., Press Release (Aug. 29, 2022) [Governor Hochul Announces Hurricane Ida Recovery Action Plan To Assist New Yorkers Impacted by Deadly Storm | Governor Kathy Hochul \(ny.gov\)](#); State of New York Approved Action Plan Incorporating Amendments 8-31 For Community Development Block Grant – Disaster Recovery [20220926 NYS Consolidated ActionPlan APAs 1-31 a.pdf](#).

⁶ In December of 2020, a consortium of 12 Long Island Sound watershed communities, with the support of the Pace Land Use Law Center, circulated an action plan for regional collaboration setting forth a framework of 10 recommendations. See Action Plan for Regional Collaboration, Westchester County Long Island Sound Communities (Dec. 2020).