
Creating a Sustainable, Inclusive, and Resilient Future Economy in New York City

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October 2021



SUMMARY

QUESTION: HOW CAN THE NEXT CITY ADMINISTRATION PARTNER WITH THE BUSINESS COMMUNITY TO DEVELOP INVESTABLE PROJECTS THAT ADVANCE NEW YORK CITY'S SUSTAINABILITY GOALS?

WHY IMPORTANT:

1. *It addresses some of the critical concerns on equity by providing a road map through which the targeted communities in New York can be put and steered towards the path of sustainable economic and social wellbeing.*
 2. *By addressing issues such as the need to improve the human welfare, the policy endeavors can have significant impacts on people's lives by coming up with strategies that can be used to overcome barriers to development across different sectors.*
 3. *The plans and frameworks to help the city establish economic recovery and advance equity and racial justice is one of the ways that the proposed policy is of significance to the targeted communities.*
 4. *The plan also integrates plans for economic growth and prosperity within the principles of equity, sustainability, and resiliency.*
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RECOMMENDATIONS:

1. *The next City Administration should use the United Nations Sustainable Development Goals (UN SDGs) to engage the private sector in planning and executing on achieving the City's sustainability goals.*
2. *Build on past citywide sustainability planning, identify critical shared goals across sectors, and create greater private sector representation and responsibility.*



3. *Take a page from the Biden Administration: bring a whole government approach and embed sustainability into every NYC agency, but particularly into economic development.*
4. *Bridge the gap between goal setting and success with active cross-sector project development.*

CONSTRAINTS:

1. *There are inherent challenges involved in dividing resources between the competing needs of the target demographics in New York City, including food insecurity and unemployment.*
2. *Vulnerabilities of citizens continue to be exacerbated by the external factors and conditions, as seen in the examples of the pandemic, economic recessions, and the high-risk nature of the gig economy, in which most people experience stagnation and an inability to advance up the economic ladder.*

INTRODUCTION

New York City's recovery and future depends on sustainable development, which requires economic growth, social inclusion, and environmental protection. The task is to integrate and balance these three elements and place racial equity and justice at the center, as the UN SDGs do, prioritizing the people most impacted by poverty, inequality, climate change, and environmental injustices in a sustainable world.

New York City has already heeded the call from the United Nations to mobilize in response to global challenges. And, NYC can lead the cities of the world in this decade of global action. To be successful, New York must secure the active agreement of government, community, and *the private sector* on the goals and priorities of the City's sustainability plan, and the *commitment* of each sector to measurable actions to achieve those goals. And private financial investment will require innovative cross-sector project development to direct capital to where it is needed most.



BACKGROUND: NYC'S SUSTAINABILITY PLANNING, THE UN SDGs, AND BUSINESS INVESTMENT IN SUSTAINABILITY

New York City has led the world in setting ambitious urban sustainability goals, beginning with PlaNYC 2030, the 2007 plan developed under the leadership of then Mayor Michael Bloomberg. That long-term plan made explicit the link between New York City's population and economic growth, and the health and viability of its natural and built environment and infrastructure.

Eight years later, the UN member states ratified the SDGs in 2015. The 17 goals, and the 169 targets associated with them, provide a roadmap to put the world on the path toward greater sustainability by 2030. The SDGs are a blueprint to improve human welfare, protect the Earth's resources, and ensure greater and more equitably shared prosperity.

Mayor Bill de Blasio built on Mayor Bloomberg's PlaNYC 2030, publishing One NYC 2050 in 2015, and then expanded the plan and reflected the UN SDGs with One NYC 2050 in 2019. This new plan integrates goals of economic growth and prosperity with principles of equality, sustainability, and resiliency. The City also committed to the Paris Climate Accords and the SDGs, becoming the first city in the world to map its sustainability plan against the SDGs.

The global socioeconomic and environmental challenges that the SDGs address clearly affect our communities in New York City. A pandemic, natural disasters, the Great Recession, and the emergence of the gig economy have exposed and exacerbated the vulnerabilities in the City's economy. New Yorkers face a widening wealth gap among city residents and increasing wage stagnation, making it hard for workers to advance without additional training and education. Roughly 13 percent of the population lives in poverty, and more than 54,000 adults and 17,000 children sleep in homeless shelters each night. The Covid-19 pandemic has driven high unemployment rates across the population and increased food insecurity to include more than 1.5 million New Yorkers.

As a global city with a diversified economy, New York City is primed to take on these challenges and support the SDGs. We're home to the UN; one of the world's leading centers for finance, media, technology, the arts, and fashion; the base for more than 40 Fortune 500 companies; a leading supporter of business accelerators, emerging startups and social entrepreneurs; the hub of major philanthropic foundations; and home to a sophisticated collection of non-governmental organizations (NGOs) and community-based organizations.



THE PROPOSAL

1. Recognize the value of the private sector as a new administration develops its sustainability agenda.

The UN sees the private sector as an essential partner to address the SDGs. “Better Business, Better World,” the 2017 report by the Business and Sustainable Development Commission, identified \$12 trillion in business investments and 360 million jobs that could be created by 2030, if the SDGs are achieved. Moreover, actions on climate change alone will generate savings of \$26 trillion.

Over the past six years, the world’s business and finance community has begun to mobilize. Many multinational corporations, new and old, have embraced the SDGs by mapping their existing business models and activities with the UN goals. Facebook, Barclays, HSBC, Ford Foundation, IBM, Nielsen, Telefonica, and SAP, for example, are members of the UN partnership for the SDGs.

In the NYC area, Pepsico, L’Oréal, Unilever, Pfizer, Etsy, Sony, Google, Amazon, and J&J have made SDG commitments. The fashion industry in New York City has many leaders on the SDGs, including Eileen Fisher, Nike, Tiffany & Co. and Conde Nast. The financial services industry, led by companies such as Mastercard and BNP Paribas, are also making SDG commitments. The real estate sector is becoming increasingly engaged in ESG issues, with some like JLL also exploring the role of the SDGs. And, on Wall Street, BlackRock and others are calling for a focus on sustainability and long-term investment and are making large green finance commitments (Goldman Sachs — \$750 billion by 2030; Citi — \$250 billion by 2025 and \$500 billion by 2030; JP Morgan — \$2.5 trillion over 10 years to advance climate action and sustainable development; HSBC — pledging \$100 billion in sustainable financing by 2025 and \$750 billion to \$1 trillion by 2030; Bank of America — setting a target of \$1.5 trillion in SDG-focused sustainable finance by 2030). There are also a growing number of ESG and impact investing initiatives, including UN SDG funds and ESG fund ratings by Morningstar.



Business has embraced sustainability and the UN SDGs. The next mayoral administration needs to recognize, value, and channel those private sector commitments for New York City's economic recovery and future.

2. Build on past citywide sustainability planning, identify critical shared goals across sectors, and create greater private sector representation and *responsibility*.

Both PlaNYC and One NYC 2050 were the product of broad outreach across New York City by the City's administration. That broad outreach should take place again with the next Administration's sustainability plan. The private sector needs to be at the table with government and community leaders as a critical partner in mapping the goals — not so much for its empowerment but, rather, to create shared responsibility. In creating an advisory body to guide the process, the next administration should ensure strong representation from different segments of the private sector, including the finance sector. Business, as well as government and civil society, must take on responsibility for the actual actions to achieve the goals. Commitments to action should be measurable, including increased financial investment by the private sector, from philanthropy to impact investments, to traditional finance, for sustainability projects in NYC. We're in this together — businesses, investors, the public sector, philanthropy, and the community. And, our goals of building a sustainable, inclusive, and resilient future economy in New York City are urgent.

3. Take a page from the Biden administration: bring a whole government approach and embed sustainability into every NYC agency, but particularly into economic development

President Biden made clear from day one of his administration that he would take a *whole of government* approach to sustainability. In that process, the president has also underscored the crucial role of public-private collaboration to identify and scale for real solutions. New York City can join this movement and similarly embed sustainability into the mission of every city agency. It can begin with NYC's Economic Development Corporation (EDC) — the City's workforce and economic development engine that has existed for thirty years with the mission of creating economic growth



and jobs for all New Yorkers. While sustainability recently became part of EDC's mission, its commitment to build a more sustainable city should go beyond meeting the challenges of climate change alone. And New York's work to build a private sector role in achieving the SDGs should reside at EDC.

4. Bridge the gap between goal setting and success with active cross-sector project development.

A challenging gap exists between many of our sustainability goals and their achievement. Private investors tout billions of capital committed to sustainability. But, for projects to be financed, they must come "investment ready." Rather than a matching of investment capital to investment-ready projects, the next administration can follow the playbook created by the NYU Stern Center for Sustainable Business in its initiative, *Invest NYC SDG*.

The initiative is the first local project in any city in the world, according to the UN, to use the UN SDGs as a framework to drive private sector financing for community-supported projects. Over the past two years, using the lens of the City's own sustainability goals, the initiative has tackled challenges in six areas — the built environment, food and health, sustainable mobility, renewable energy, waste, and climate resilience. The initiative identified and engaged key stakeholders from the private sector, government, nonprofit, and community organizations to understand the barriers to achieving the City's goals.

Together with these stakeholders, the initiative identified strategies to overcome those barriers. With persistent cross-sector project development — engaging, connecting, and matchmaking — the initiative has created a portfolio of projects designed to help NYC's economic recovery and advance equity and racial justice. With the active support of a new administration, *Invest NYC SDG* aims to move these sustainability projects into the hands of new "owners" who can bridge the crucial gap between our goals and their achievement. Some of the initiative's most impactful projects include:

- **Developing a micromobility pilot for lower-income essential workers to drive wider policy and infrastructure change:** Support the Equitable Commute Project, conceived in July 2020 as a pilot to support transportation justice in NYC. With Transportation Alternatives as the program manager, the HOPE Program as the green workforce development partner, and C2 Smart Cities and the Rudin Center at NYU as the data development and research partner, a novel partnership was created to launch in 2021. The goal is to put 10,000 e-



bikes, bikes, and e-scooter in the hands of lower-income essential workers with a corporate sponsorship fund that will subsidize 50% of the cost of a micromobility vehicle and Spring Bank, a B-Corp CDFI, that has partnered to provide low-cost financing to people with limited credit history. The long-term goals are to support transportation justice, expand micromobility use as a sustainable commuting option for all New Yorkers, and build political and corporate leadership to grow New York City's cycling networks and infrastructure.

- **Driving energy efficiency with retrofits with PACE and other innovative funding:** Support a robust Property Assessed Clean Energy (PACE) lending program to increase critical energy efficiency retrofits, create thousands of green jobs, and advance the largest opportunity to reduce carbon in New York City. Buildings represent 70% of the City's greenhouse gas emissions (from heat, power, and A/C). The Climate Mobilization Act (CMA) requires the city's ~28,000 largest buildings (responsible for 40% of emissions) to meet reduced emission guidelines by 2024 or face substantial fines. A new PACE lending program was also created by the CMA to finance 100% of the cost of energy efficiency retrofits. It requires, however, data collection and analysis, and a lender engagement strategy and process to support its deployment and expansion. A public database created by CSB, working with the Mayor's Office of Sustainability and NYCEEC, the PACE administrator, maps all of the affected buildings by greenhouse gas (GHG) intensity, ownership, mortgage holder(s), and penalties to guide PACE outreach. Using this data tool, New York can work on strategies to gain consent from underlying mortgage holders to accept PACE loan seniority; and support a low-cost, remote energy audit process to attract owners of affordable housing to energy efficient retrofits and PACE financing.
- **Support green jobs – training and placement:** The Climate Mobilization Act is predicted to create tens of thousands of new, skilled jobs in auditing, installing, and running the energy efficiency and smart-building technology that is required for our built environment. Building efficiency depends as much on how buildings are run as how they are built — and NYC needs a technically sophisticated workforce that is currently nonexistent. Work with a variety of industry, organized labor, community colleges, and philanthropic players can help to close this gap. Workforce training and placement through private sector-funded apprenticeships can be one effective piece of a system to ensure that workers are being training for the skills that employers need.
- **Growing NYC's emerging, sustainable food economy all along the supply chain:** Work to address increased food insecurity and create good-paying jobs by demonstrating the need and capacity for greater food production in New



York City with innovative projects. The COVID-19 pandemic both increased the enormous number of New Yorkers who are food insecure — now close to two million — and highlighted the fragility of our food supply chains. Increasing local food production, including controlled-environment agriculture (CEA); which is essentially indoor farming using technologies like hydroponics, aquaponics, aeroponics, and aquaculture; as well as rooftop and community farms, oyster, and kelp farming can create equitable solutions with both scale and financial returns. One such opportunity is a 15-acre demonstration developing agriculture on Rikers Island to produce more than 100,000 pounds of leafy greens and 45,000 pounds of salmon or trout *every week, year-round*.

- Creating low carbon concrete from recycled glass:** Support the siting, financing, and construction of a ground glass pozzolan processing plant, and product commercialization in the concrete manufacturing process. This work will help to build a high-value circular economy for New York City's glass waste stream; reduce GHG emissions (concrete represents 5%-8% of global greenhouse gas emissions); help to achieve NYC's goal of zero waste to landfill by 2030; and produce a stronger, more resilient construction material. No markets exist for recycled glass, and few for plastic, in the Northeast United States. These materials are a burden that threatens the financial health of the recycling industry, since non-sustainable disposal options are costly. Pulverized glass can, however, be a green and cost-effective component in concrete (actually improving its strength and longevity), if an NYC site for a plant that minimizes transportation of this heavy material can be secured and financing put in place.
- Capturing value in organic waste:** Build a circular economy for New York City's 2 million tons/year of organic waste; reduce GHGs; achieve the City's goal of zero waste to landfill by 2030; and capture the residual value in organic waste. A solution will require focus on three prongs: 1) support for NYC's Department of Environmental Protection in upgrading its 14 wastewater resource recovery facilities (WRRF) to include state of the art co-digestion technology to process organic waste and create biogas; 2) investment in institutional implementation of anaerobic digesters; and 3) a plan for the systematic collection of organics for composting and reuse agriculturally.
- Reducing greenhouse gas (GHG) emissions from NYC's large cultural institutions with geothermal:** Develop a process to bring geothermal via a Power Purchase Agreement (PPA) to the Metropolitan Museum of Art and the American Museum of Natural History, which are the 3rd and 13th largest users of electricity among NYC-owned buildings, respectively. Both are cultural organizations in NYC-owned buildings on NYC-owned land and, as such, are among 34 members of the Cultural Institutions Group (CIG). The City of New York pays Met's \$15M and AMNH's ~\$7M annual utility bill. Geothermal Ground-



Source Heat Pumps (GHPs), a widely applicable technology in NYC, would substantially reduce energy consumption. PPAs at the Met/AMNH, with no upfront cost, could serve as a model for other CIGs, and other City-owned buildings.

- **Reducing GHG emissions and increasing freight and package capacity in transportation:** Support EDC, DOT, and business in creating new marine-based transportation with e-cargo bike last mile delivery. Heavy-duty and medium-duty trucks added 1.8 million tons of carbon dioxide equivalent (tCO₂e) in 2017 (10% of NYC GHG emissions), the same year traffic congestion cost the local economy \$862 million, hurting local businesses and impeding commerce. Trucks represent 90% of freight transport in NYC, while 8% is by maritime transport, 2% by rail and 1% by air. E-commerce companies have developed major warehouse and distribution centers throughout New York City. Electric or hybrid barges, which are used as commercial vessels in western Europe for zero-emission operation on inland waterways, short sea and coastal routes, could reduce vehicle emissions, optimize traffic, increase freight capacity, and conserve NYC's roadway infrastructure with a sustainable way of moving freight.

CONCLUSION

This is a pivotal moment for New York City's future. The COVID-19 pandemic is beginning to recede. A new administration will take office in January 2022 with its ambitions focused on the future. With its rich political, economic, and civic culture, New York is in a unique position to lead our nation's — and our world's — transition to a more sustainable, equitable, and resilient economy. As the business and finance capital of the United States, NYC can demonstrate how private enterprise and public policy can work hand-in-hand to create a more robust economy, improve the lives of all New Yorkers, and drive achievement of the UN SDGs in NYC and globally.



APPENDIX - THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SUSTAINABLE DEVELOPMENT GOALS



1. **No Poverty:** End poverty in all its forms everywhere
2. **Zero Hunger:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. **Good Health and Well-being:** Ensure healthy lives and promote well-being for all at all ages
4. **Quality Education:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. **Gender Equality:** Achieve gender equality and empower all women and girls
6. **Clean Water and Sanitation:** Ensure availability and sustainable management of water and sanitation for all



7. **Affordable and Clean Energy:** Ensure access to affordable, reliable, sustainable and modern energy for all
8. **Decent Work and Economic Growth:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. **Industry, Innovation and Infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10. **Reduced Inequalities:** Reduce inequality within and among countries
11. **Sustainable Cities and Communities:** Make cities and human settlements inclusive, safe, resilient and sustainable
12. **Responsible Consumption and Production:** Ensure sustainable consumption and production patterns
13. **Climate Action:** Take urgent action to combat climate change and its impacts
14. **Life Below Water:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15. **Life on Land:** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16. **Peace, Justice and Strong Institutions:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. **Partnerships for the Goals:** Strengthen the means of implementation and revitalize the global partnership for sustainable development

