

Onondaga Citizens League

Study Session #7 December 14, 2016

“How CNY Works: Examining the Diversity of Our Economic Base – Past, Present and Future”

Meeting topic: “Neighborhood Economic Development.”

12-1:30 p.m., South Side Innovation Center

Presenters:

El-Java Abdul Qadir, Southside Innovation Center

Mike LaFlair, Northeast Hawley Development Association

Rebecca Newman, Housing Visions Unlimited

Bob Doucette Esq., Paramount Realty Group and Armory Development Management

Dan Cowen, CenterState, UP Start Syracuse

Greg Schwarz, SCORE (Counselors to America’s Small Business)

El-Java Abdul Qadir began the meeting by talking about the work of the South Side Innovation Center (SSIC). The SSIC is a project of the Whitman School of Management of Syracuse University. The center has 27 resident/clients (who rent space from the Center) and serves 300 individuals each year. The center offers classes, programs, one-on-one training, legal advising, and other services. While the center began as a neighborhood initiative, it now serves a wider geographic area, including people from Binghamton and Rochester. SSIC is supported by grants and charitable gifts.

Mike LaFlair spoke about the focus of Northeast Hawley Development Association, (NEHDA) which works in three areas -- economic development, real estate development and community engagement. He said the main focus of the organization for the past 40 years has been on owner-occupied home ownership. They now also focus on engaging people in the neighborhoods and getting them involved in change/decision making. NEHDA offers community building activities, and ongoing support and classes for people in the area, including managing finances, codes, and home improvement.

Rebecca Newman spoke about Housing Visions Unlimited, which focuses on neighborhood revitalization and affordable housing development. Housing Visions is also the general contractor for housing projects and is the “end user” as well; serving as the property manager. Newman said the organization uses a community-driven approach, relying heavily on low income housing tax credit, which she said is highly competitive.

Bob Doucette, a private developer, (for profit) spoke about his work in downtown Syracuse, which primarily involves mixed-use development and apartments downtown.

Study co-chair Mel Menon asked the panelists to discuss how they assess need and opportunity.

LaFlair said NEHDA considers several factors:

- Does the work fall under the mission of the agency?
- Is it something the agency can afford to do?
- Can it be done successfully?
- Is someone else (another agency) doing it?

Newman said Housing Visions started on the east side of the city, has become established on the north side, and needs to grow a portfolio on the south side. She said there is a void in the niche her agency serves, with a great need for affordable housing throughout the Syracuse area. She described some of the Housing Vision projects as “total mission projects.” Newman said the agency is able to take on challenging and unique endeavors; most revolving around affordable housing.

Sustainability is a main piece for both NEHDA and Housing Visions.

Doucette added that in some cases, there are opportunities to *create* markets. He drew upon his experience developing residential living spaces in downtown Syracuse. There was no market, but Doucette felt there was a need, which led to the market.

Doucette talked about the redevelopment of the Dey Brothers building downtown, which has 64 housing units with offices and retail space, as well. He said it’s important to study the street life and people who live in the area to help determine the type of retail space that best fits the area. Café Kubal and Pastabilities are examples of this.

Newman talked about the Salina Crossing Project, (located on North and South sides of city) with affordable housing and commercial tenants. On the north side the commercial space is St. Joseph's Hospital, which will have a training facility. On the South Side, the tenant will be Henry's Hen House (a restaurant).

LaFlair also spoke about the Butternut Crossing Project, which NEHDA is collaborating on. There will be mixed use opportunities, which LaFlair said will hopefully bring more middle-income people to the neighborhood.

Newman said there are employment goals tied to funding in terms of local hiring, and/or minority/women-owned businesses. She said the agency works hard to exceed the goals, and generally is able to do this on projects within the city of Syracuse. During the building phase, there are many opportunities for jobs. Once a project is finished there is a commitment from Housing Visions for two full-time jobs for 50 years – a community manager and a maintenance superintendent.

Newman said Housing Visions is a drug free employer, which sometimes results in "screening people out." Transportation for some prospective employees can also be an issue, since projects are scattered throughout the city.

Doucette said when he is working with a state grant, he needs to meet requirements for women and minorities. He said on his construction projects, most of the people hired are local. The stores and businesses that go into a project mostly hire local workers. Doucette said he felt business activity is the most important thing, in terms of creating employment. He rarely has to go out of town to find workers except to hire specialty craftspeople.

He said there is a lot of "game playing" by some developers in terms of meeting goals for minority and women hires. In some cases, "dummy companies" are established which falsely indicate a developer is hiring women and minorities. "That is not a good thing," Doucette said. Other panelists concurred.

Doucette stressed there needs to be opportunities for people to learn the trades and skills, in order to get the work. He said there is a bottleneck; people wanting to work, but not having the skills required.

Newman said there is a great need in this area for people who are able to do dry wall. There is a shortage of people skilled in this trade.

Study co-chairs Craig French introduced the second panel, Dan Cowen, Greg Schwarz and El-Java Qadir, and asked about their work with small businesses.

Cowen represented the Up Start program which is part of CenterState CEO. He stressed the importance of connecting people with established services and

resources in the area, and collaborating with community partners. The majority of businesses that UP Start Syracuse works with have between one and five employees.

Qadir underscored the need for collaboration among the agencies. He stressed the importance of supporting the local entrepreneurs who initially may have only one or a few employees, but have stayed loyal to the community.

Schwarz said the Syracuse chapter of SCORE was established in 1965. Volunteers offer all of the services for free; helping people explore and realize their business dreams. Last year, SCORE helped 215 new clients locally. Some were just thinking about starting a business; some were start-ups looking to grow and succeed, and others were established businesses that were having a problem, or needed some type of specific help. Most businesses helped by SCORE in the Syracuse area have one employee (the business owner).

French asked panelists to describe one person/project they worked on during the past year.

Schwarz spoke about a man he worked with who had an idea for a new product. He also got involved with SSIC. He had a website, and was looking into Amazon to market/sell his product. Now he has contracted with a wholesale distributor. He is producing 5,000 units a month. He received help in ordering materials internationally he needed to create his product. He is working with a company in Cortland to manufacture the product. While his company still has only one employee (the business owner), the company is having a positive effect on the local economy because it is giving business to local service providers, as well as the manufacturer in Cortland.

Qadir spoke about a brother/sister who came in, with an idea that they wanted to develop. They took classes, worked on a business plan, worked on their credit score, got a business license, and began a construction company. Qadir said the client got an opportunity (not in Syracuse) in a neighboring community and was able to employ 10 people. Now the person has two companies and 35 employees. Qadir said sometimes the community of Syracuse does not provide the opportunities for entrepreneurs.

Cowen underscored the importance of collaboration. Recently a restaurant incubator on the North Side, "With Love, Pakistan," was launched, with the collaboration/coordination of Onondaga Community College, Catholic Charities and CenterState. Every six months, a new entrepreneur will be able to develop a particular cuisine, and will receive business and financial training. Employees working in the restaurant are studying/pursuing the food service industry.

The panelists were asked: Are there realities, issues, and/or practices in our community that get into the way of progress in terms of entrepreneurship and job creation?

Schwarz said the biggest problem in his mind is the access to funding. It is challenging for people just starting to develop a business- their credit score may not be great, or they have already tapped into their 401K/home equity. It does not matter how good the idea is if they cannot get funding.

Qadir said the entrepreneurs have to have tremendous resilience. There are constant challenges. Access to capital is a hurdle. Racism is still an issue for some businesses getting off the ground. "As a community we need to overcome those challenges in order to grow," Qadir said.

Cowen said a lot of his agency's work is to remove barriers for entrepreneurs and businesses. Access to resources is a challenge. We have to believe in the community, he said, and not to get stuck reminiscing about what Syracuse used to be like.