

**TESTIMONY**

**BY**

**FIRST DEPUTY COMMISSIONER JACKIE MALLON**

**NEW YORK CITY**

**DEPARTMENT OF SMALL BUSINESS SERVICES**

**BEFORE**

**THE COMMITTEE ON SMALL BUSINESS**

**OF THE**

**NEW YORK CITY COUNCIL**

**MONDAY, APRIL 23, 2018**

Good morning **Chair Gjonaj** and members of the Committee on Small Business. My name is Jackie Mallon, and I am the First Deputy Commissioner at the New York City Department of Small Businesses Services (“SBS”). At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting them to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. Today, I am pleased to testify on Small Business First and our work to reduce the regulatory burden on small businesses. I am joined by Deputy Commissioner Rachel Van Tosh and representatives from our partner agencies to assist in any additional questions you may have.

At SBS, we know that it can be difficult to start and grow a company in New York City. Businesses are facing rising rents, changing local markets, and numerous regulatory requirements. Despite these, New York City’s small businesses continue to grow. Over the last ten years, the number of businesses in New York City has increased by **10%**.

To support this continued growth, the City has committed to making the regulatory environment easier for small businesses. Regulations are important to ensure health and public safety, but they should be fair and not overly burdensome. The City should also provide assistance to help business owners to understand fair regulations and strengthen compliance. Three years ago Mayor de Blasio challenged his Deputy Mayors and regulatory agencies to reduce the regulatory burden on the business community. On behalf of this leadership team, the Mayor’s Office of Operations and SBS launched an outreach effort to hear directly from business owners and stakeholders. Over the course of **eight** months, we heard from **hundreds** of

business owners, advocates, neighborhood and community leaders, and elected officials across all **five** boroughs.

Following this outreach effort, the City launched **Small Business First** (or **SB1**) an inter-agency initiative to make government more effective and efficient in helping businesses start, operate, and expand. Based on stakeholder feedback, the City developed **thirty** commitments with **four** key objectives central to SB1. These commitments are regularly monitored by a Steering Committee and through the Mayor's Management Report.

The first broad goal of SB1 is to **provide clear information with coordinated services and support**. In most cases, business owners want to operate in compliance, however, information about regulations isn't always easy to find or understand. To make it easier, we built a state of the art **NYC Business Portal** to be a central repository of key business information and a single place for business interactions with the City. On the NYC Business Portal, a business owner can create an account and link their licenses, permits, inspections, and violations from key City agencies onto one dashboard to stay informed. In addition, they can receive alerts for renewal notices and new violations or complaints they receive; making it easier for them to stay in compliance. In 2017, there were **more than one million** visits to the NYC Business Portal. Some transactions with City agencies require business owners to visit agency staff in-person for security and privacy reasons. To make these visits as easy and efficient as possible, SBS partnered with agencies to create the **Small Business Support Center** in Queens. At this center, business owners can connect with staff from multiple regulatory agencies in a single location, saving them time and money. To date,

**21,000** services have been provided to business owners at the Small Business Support Center.

Our second goal was to help business owners understand and comply with regulations. For this goal, we created **Compliance Advisors**, outreach staff cross-trained in the most common regulations enforced by all City agencies. Compliance Advisors visit business sites and educate business owners before inspections to help them avoid potential violations. Business owners saved nearly **\$25 million dollars in avoided fines** with the help of Compliance Advisors. We also expanded **remote adjudication** options, so business owners don't need to leave their business during operating hours in order to refute a violation or fine. For more than **700** additional violation categories, business owners can contest a violation via phone, video conference, online, or by mail.

Third, we sought to reduce the burden imposed by complex regulations and fines. Using a structured methodology, the Mayor's Office of Operations led a **review of the Rules** of the City of New York and identified priorities for reform. Currently, **80** of those rules are being modified to have a positive impact on businesses. More than **40%** of these rule modifications have already been adopted. In partnership with the Department of Buildings (DOB), we also worked to **standardize DOB plan objections** to make it easier for business owners to understand and participate in the process. Approximately **160** common objections now utilize simplified, standardized language. DOB and FDNY also agreed to a process change that would streamline the submission and review processes for alternative automatic fire extinguishing systems, fire alarm systems, and fire protection plans, saving money and time for small business owners.

And fourth, we aimed to **ensure equal access** for all business owners. We expanded the availability of materials in **multiple languages**. There are now a total of **over 200** translated versions of our business materials. We also regularly host **interagency events** with multiple regulatory agencies including FDNY, DOB, DCA and DOHMH. This allows business owners to have their questions answered directly by City staff. These interagency events have been held directly in communities across all five boroughs, reaching **nearly one thousand business owners**.

This administration has made additional changes to help small businesses beyond the work of SB1. Since the start of this administration, DCA has reduced fines to small businesses by **more than 50%**. This administration, with support from Council, also oversaw the implementation of **the Cure Law**, which allows business owners to correct many first-time violations. DCA has issued more than 8,000 curable charges since July 2014, saving businesses \$3.2 million. DCA, with support from SBS, also hosts **Business Education Days** to educate business owners about DCA's laws and rules while strengthening the relationships between the City and neighborhood business communities.

We will continue to work to make the regulatory environment easier for small businesses while protecting public health and safety. We know there is always more work to be done. To that end, we look forward to partnering with the Small Business Committee to identify new opportunities for improvement. Thank you.

I will now take your questions.



**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

**(PLEASE PRINT)**

Name: Bachel Van Tosh

Address: \_\_\_\_\_

I represent: NYC Dept Small Business Service

Address: 110 William Street NYC

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL  
THE CITY OF NEW YORK**

**Appearance Card**

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 4/23/16

**(PLEASE PRINT)**

Name: First Deputy Commissioner Jackie Mallon

Address: \_\_\_\_\_

I represent: SBS

Address: \_\_\_\_\_

◆ Please complete this card and return to the Sergeant-at-Arms ◆