

March, 7th, 2022

Testimony of the NYC Hospitality Alliance to the City Council's Committee on Small Business hearing on "SBS's Response to COVID-19"

My Name is Andrew Rigie and I am the executive director of the New York City Hospitality Alliance a not-for-profit organization representing restaurants and nightlife establishments throughout the five boroughs. Thank you to Chairperson Julie Menin and members of the Committee on Small Business for the opportunity to testify today on the Department of Small Business Services' ("SBS") response to Covid-19 and related matters. We appreciate your oversight and interest in supporting our city's restaurants, bars, clubs, and other small businesses.

First, I'd like to thank you to everyone at SBS for working so hard throughout the past two years to support businesses during the pandemic, including former commissioner Jonell Doris, and the team at the Food and Beverage Industry Partnership led by Steven Picker. We also welcome newly appointed Commissioner Kevin Kim who we believe is off to a strong start and look forward to working with.

Whether it was connecting businesses with resources and supportive programs, hosting the many Covid-19 policy webinars, or any of the other programs SBS offered, the hard-working people at the agency and their commitment to service truly helped people, and while I'm sure not always full recognized or appreciated, it did not go unnoticed by the NYC Hospitality Alliance. Thank you.

Nonetheless, this unprecedented crisis posed incredible burdens to our city's small businesses. As we look forward the future, we could compile a long list of all the policy failures and successes from all levels government geared towards the small business community, however, for the sake of today's City Council hearing, the following is a list of constructive comments we believe will further enhance SBS's ability to continue serving small businesses, every day, and especially during a time of crisis:

- Ensure SBS is not only at the policy table but informing government policy with their boots on the ground experience. The insights they can provide from the small businesses they work with are valuable.
- The agency needs to be invested in, and fully understand the programs and policies they are charged with offering and educating businesses about, especially because they are on the front lines and often the face of government to small businesses.
- When multiple city agencies interact with small businesses, whether it be for inspections or providing information to businesses, we hear from businesses about inconsistent enforcement and conflicting compliance information being provided to them from various agencies. And although SBS is not an enforcement agency, we believe when there is more interagency coordination, and it is informed and led in part by SBS, the overall experience improves for small businesses. Likewise, when SBS houses and/or cross-trains inspectors on matters related to small business, it improves response times in providing answers to questions, offers more consistent guidance and inspections, and provides a more seamless experience with less friction and frustration for small businesses. SBS should have more of a leadership role in coordinating multi-agency dealings with small businesses, and must be supported by City Hall and the Council.
- SBS can review and inform other agency communications to small businesses to help ensure it is drafted in a way that small businesses will relate to and understand.

- SBS needs to cut through red tape to allocate certain disaster funding and related services faster, and to ensure those funds are distributed more equitably to businesses throughout the five boroughs – too many slipped through the cracks. Barriers and/or provisions like personal guarantees in loan programs must be reviewed and modified as not to result in more debt and challenges for businesses trying to access relief and survive.
- Communicating in multiple languages and bringing information to where small businesses are at is vital.
 - A texting system should be established to get critical information to small businesses ASAP and as much in-person, straight to the businesses information should be provided by SBS representatives.
- We understand the city's desire to announce new programs and policies to support small businesses, but we'd urge the city not to make any announcements until they are fully baked and ready to be rolled out. Making announcements before their availability creates confusion within the small business community and loss of confidence in city services when they discover it's not yet available or is ultimately not what was originally announced. The fine details matter in the longer term for businesses.
- SBS should be prepared to release all the details of government policy simultaneously when policy is announced, as often as possible. There should not be a lag time between the announcement of a new policy, especially it's effective date, and then the SBS team having to work to interpret and develop materials to share with small businesses after the fact.
 - Similarly, during the pandemic so much of the Covid-19 policy was dictated by the state and not city, it often wasn't clear, or fair to small businesses, and SBS was unfortunately, and unfairly left to inform businesses about it. So, we urge the city to develop and nurture relationships with state government to inform and coordinate their policy that impacts small businesses.
- We understand there are countless small business needs, especially during a time of crisis, so we must ensure the city provides adequate funding for SBS to fulfill its mission.

The above list is an abbreviated but very important list for the city of New York to consider and implement at SBS to serve small businesses throughout the five boroughs.

New York City's restaurant and nightlife industry has been devastated by the pandemic, and that's why it's critically important that we continue working with the City Council and Department of Small Business Services to provide our local businesses the support they need to not only survive now, but to thrive in the future. We commend Small Business Committee Chair Julie Menin for holding today's hearing so that we learn from our pandemic experience and ensure the Department of Small Business Services has adequate funding and proper programs in place to support our small businesses most effectively and efficiently, especially during a time of crisis.

Respectfully submitted,

Andrew Rigie
Executive Director
NYC Hospitality Alliance
arigie@thenycalliance.org



**Testimony to the NYC City Council
Committee on Small Business
SBS's Response to COVID-19**

March 7, 2022

Chair Menin and Members of the Committee on Small Business:

Thank you for the opportunity to submit testimony for today's hearing on behalf of the Association for Neighborhood and Housing Development (ANHD). ANHD is one of the City's leading policy, advocacy, and capacity-building organizations. Our membership consists of over 80 neighborhood-based and city-wide nonprofits that have affordable housing or equitable economic development as a key part of their mission. We work with our members to build community power and ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers.

ANHD is also a member of United for Small Business NYC, which is a coalition of community organizations across New York City fighting to protect New York's small businesses and commercial tenants from the threat of displacement, with particular focus on owner-operated, low-income, people of color-run businesses that serve low-income communities and communities of color.

In 2021, ANHD partnered with the Department of Small Business Services on the COVID-19 Commercial District Support Grant, through which we provided technical assistance and capacity building support to nearly 30 nonprofits doing merchant organizing throughout the five boroughs. This grant program allowed nonprofit staff to work directly with small businesses owners to identify and apply to available funding opportunities and was crucial to achieving some stability in commercial corridors. However, these organizers and advocates identified that the funding available was not enough to meet the massive need for direct small business funding that they were seeing on the ground, and applications for SBS grants and loans closed long before many of their clients and members could apply. **Thus, we urge you to focus more funding on direct relief to small businesses.**



During the COVID-19 shutdown of spring 2020, countless small businesses lost months of revenue but they still had to pay rent on their space, leading to tens of thousands of dollars in rent arrears and potential eviction and bankruptcy. In New York City, the soaring cost of commercial rents have stayed on trend with pre-pandemic rents, and individual landlord negotiations are not enough to keep small businesses alive.¹ With the expiration of the statewide eviction moratorium, the potential for eviction looms closer and closer each day for those small businesses with crushing rent debt.

Despite federal, state, or city programs available, many New York City small businesses have thus far been unable to access direct funding opportunities. Paycheck Protection Program loans were only available for businesses that had employees, excluding sole proprietors and businesses with other models—like barber shops that rent out chairs. Even for those who were eligible for PPP, a large portion of those loans could not be dedicated toward operating costs such as rent. In addition, ANHD analysis shows that PPP loans were not equitably distributed and were less likely to reach businesses in low-income communities and communities of color, despite the fact that these were some of the neighborhoods hit hardest by the pandemic.²

For businesses shut out of these opportunities, accessible relief funding from the City is the difference between resolving their debt and continuing to operate, and shuttering. Business closures can destabilize commercial corridors and the communities who rely on them for jobs, goods, and services. **To keep our small businesses open and commercial corridors stable, we urge you to open up another round of grants widely accessible to those so far left out, like our smallest businesses facing crushing rent debt.**

We hope to continue working with the Council and with SBS to preserve and rebuild the stability of the small businesses that help form the backbone of our neighborhoods.

¹ <https://www.curbed.com/2021/10/most-storefront-rents-in-new-york-are-as-high-as-ever.html>

² <https://anhd.org/blog/new-yorks-small-businesses-left-out-paycheck-protection-program>



Village Business Improvement District 213-33 39th Avenue, Suite Bayside 310 Bayside, NY 11361 718-423-2434 baysidevillagebid.com

March 7, 2022

To: NY City Council

Re: Oversight - SBS's Response to COVID19

As executive director of a small business improvement district, I rely on the staff and resources at SBS regularly, and they regularly come through.

During the height of the pandemic, as a staff of one, I could not have served as many businesses as well as I did without SBS sharing information, resources and even PPE. The sheer amount of information on disaster aid and evolving business regulations would have been difficult to manage without support from SBS Neighborhood Development.

The citywide zoom meetings for BIDs, initiated during the pandemic, shared expertise, fostered cooperation between organizations with small business missions and with city agencies, and offered problem solving we could not attain on our own. SBS liaising with other agencies and elevating issues of concern from those of us with boots on the ground in many neighborhoods has resulted in greater assistance to small businesses.

For example, many well meaning staff from multiple agencies took on COVID protocol inspection duties during the pandemic. Due to little or no coordination between agencies, the small businesses in our BID documented being inspected 11- 16 times per week, which is business interruption on a damaging scale and a waste of city resources. SBS elevated this issue for us and got it resolved.

The citywide meetings remain a tool to enable BIDs, including those as small as Bayside Village, to be heard and to support stronger work from all of us assisting small business and commercial corridors.

Sincerely,

Christine Silletti

Executive Director

Bayside Village BID



Business Outreach Center
Network Inc.
85 South Oxford St.
Brooklyn, NY 11217
Tel. 718.624.9115
Fax 718.256.1881
www.bocnet.org

The New York City Council

Committee on Small Business

March 7, 2022

RE: Oversight - SBS's Response to COVID-19

Dear Committee Members:

My name is Ryan Cagle, and I am here representing the Business Outreach Center Network known as BOC Network or BOC, and our Executive Director Nancy Carin. BOC Network together with its CDFI lending affiliate, BOC Capital Corp., pursue an economic justice mission.

BOC Network, with offices and community partners in all five boroughs, helps diverse small businesses start, expand and gain market opportunities, and most recently to survive and recover. BOC Capital is well known as a Contract Financing lender with NYC and recently stepped up as an SBA PPP lender. During the pandemic, BOC Network staff joined BOC Capital to provide over \$33 million in 1,452 SBA PPP loans. BOC Capital also launched an Entrepreneurs of Color Covid-19 Relief Fund to support underserved small businesses.

BOC is a resource for small businesses at every stage of business development, for sector-specific assistance for child care and construction businesses - with a staff that includes speakers of over 10 languages. BOC collaborates with NYC Small Business Services (SBS) in multiple roles, including as an Industrial Business Solutions Provider serving "Queens Central" and "Brooklyn East."

Our decades-long history of serving NYC-based immigrant and minority-owned businesses became a critical line of support during the Covid-19 pandemic. BOC joined with coalitions including the Bronx Business Organization Coalition, Industrial Jobs Coalition, Manufacturing and Industrial Innovation Council (MaiiC), and others to expand our network of resources and knowledge sharing practices.

Much of this work was made possible through the support of SBS. Initiatives like the NYC LMI Storefront Loan Program; Queens Small Business Grant Program, PPE Donations; Reopening

Guidelines Webinars; SBS's promotion of the Paycheck Protection funding through CDFI lenders and community banks easily brought tens of millions of dollars of relief funding to diverse small business owners who would have otherwise been left out.

Most recently the NYC Small Business Resilience Grant Program was implemented by SBS. The program prioritized businesses in low and moderate income communities and collaboration with multiple community partners to ensure grants reached underserved small businesses. As a partner with both NYC and NYS grant programs, we at BOC can testify to the efforts that SBS made to getting cash out quickly and with less complexity.

Although the Covid-19 pandemic was a sobering reminder of the fragility of our city's minority and immigrant small business owners, BOC has experienced SBS as a responsive and adaptive partner that would "go the extra mile" to work effectively with dedicated service providers. There have been open lines of communication and mutual problem-solving – digging into issues client case by client case.

The interest-rate reduction program for contract-based loans was extremely beneficial to M/WBE contractors whose payments experienced extended delays.

We ask the Committee to sustain its support for SBS and its long-standing community partners. BOC's collaboration with SBS proved to be a critical component of our work during the pandemic.

As we move towards economic recovery we must ensure support for the network of Industrial Business Service Providers, and organizations like BOC, that can additionally leverage federal and state small business development and recovery funding. Together our support for immigrant, minority and women-owned businesses will preserve communities and change lives.

Thank you,

Ryan Cagle, Industrial Business Account Manager

BOC Network

rcagle@bocnet.org

718-766-8278

CC:

Nancy Carin, Executive Director

ncarin@bocnet.org

BOC Network

BOC Capital Corp.

Quincy Ely-Cate, Director of Industrial Business Development

gelycate@bocnet.org

BOC Network



**Testimony of Lisa Sorin
President
The New Bronx Chamber of Commerce Inc.**

Before the

New York City Council
Committee on Small Business

Regarding

New York City Department of Small Business Services' Response to COVID-19

Thank you, Chairwoman Menin and the rest of the Small Business committee members, for the opportunity to submit testimony today.

My name is Lisa Sorin and I serve as the President of The Bronx Chamber of Commerce, the borough's most influential business advocacy organization. Thank you for the opportunity to address the committee today.

Over the last two years we have worked closely with the Department of Small Business Services. Although there have been many challenges, we have always been able to reach out and address them. Some examples include the grants and loans made available to businesses but never enough money available to our borough businesses or the criteria for meeting the qualifications have been insurmountable leading to a minimum amount of funding coming into our borough. The saving grace for businesses not only in our borough but across the city has been a 5 Borough private public partner.

Throughout the past two years, the Bronx Chamber has been grateful to partner with private and public organizations on key initiatives to provide vital services to Bronx small businesses, which have been disproportionately affected since the onset of the COVID-19 pandemic. The Bronx Chamber of Commerce is a proud member of the New York City Small Business Resource Network, which launched in October of 2020 as a public-private partnership between the five NYC borough chambers of commerce, Partnership for NYC, NYC EDC, NYC Small Business Services, along with funding from the Peterson Foundation and the New York City Council through the Five Borough Chamber Alliance Initiative. This unique public-private initiative enables more than 50

Business Recovery Specialists to deploy daily in commercial corridors and communities throughout the five boroughs, providing hands-on outreach, resource navigation and follow-up support to small businesses. A clearinghouse of third-party, corporately supported programs, services and organizations, coordinated by EDC, serves to augment the many City-managed programs available and provides our recovery team with a base of support to make referrals based on individual business needs. Access to financing, marketing and e-commerce support, pro-bono legal assistance, website development & tech support, general business coaching, and overall mentoring are the most common needs our specialists assist with. In addition, significant time is spent communicating, and helping businesses navigate, the ever-changing labyrinth of COVID and other business regulations that impact them. Our teams also work very closely and in partnership with the many Business Improvement Districts and Merchant Associations across the City to extend the reach of our work.

Since its inception in October of 2020, the Small Business Resource Network has served just under 30,000 businesses across NYC, with Minority and Women-Owned Businesses making up close to 77% of full program participants, and immigrant-owned businesses representing nearly 40% of businesses overall. The Bronx Chamber's team has reached over 3,400 businesses, and we are adding dedicated capacity to serve restaurants and food establishments which require more specialized engagement. In addition, through a focused tech program, the SBRN has completed over 350 websites for businesses that previously had none. The SBRN also has the capacity to serve businesses in eight different languages in-house, with access to further support in almost any other language we may encounter.

I am proud of the work The Bronx Chamber of Commerce has accomplished as a member of this important partnership, and we look forward to continuing and possibly expanding this work in the months to come, should resources allow. The funding provided by the Peterson Foundation represents a \$2MM investment, with a commitment through September 15th of this year, 2022. And while the five borough Chambers are grateful for the \$500,000 investment the Council made in this program last year, our hope is that the NYC Council will fully fund this initiative at the level needed to sustain this important work moving forward.

Thank you again Chairwoman Menin and members of the committee for hearing my testimony today, and I look forward to our ongoing collaboration in service of the City's small business community at this critical time.

Lisa Sorin

President

The Bronx Chamber of
Commerce

Lisa@bronxchamber.org

718-828-3900



March 7, 2022

**Testimony of Randy Peers
President and Chief Executive Officer
Brooklyn Chamber of Commerce**

Before the

New York City Council
Committee on Small Business

Regarding

New York City Department of Small Business Services' Response to COVID-19

Thank you, Chairwoman Menin and the rest of the Small Business committee members, for the opportunity to submit testimony today.

My name is Randy Peers and I serve as the President and CEO of the Brooklyn Chamber of Commerce, which serves as the borough's leading economic development organization. The small businesses of our City have been through a tremendously stressful and turbulent two years, and the Brooklyn Chamber is pleased to partner with allies, both private and public, on key initiatives to preserve and sustain these vital parts of our communities. The Brooklyn Chamber of Commerce is a proud member of the New York City Small Business Resource Network, launched in October of 2020, a public-private partnership between the five borough chambers of commerce, Partnership for NYC, NYC EDC, NYC Small Business Services, and along with funding from the Peterson Foundation and the New York City Council through the Five Borough Chamber Alliance Initiative. This unique public-private partnership enables more than 50 *Business Recovery Specialists* around NYC, to deploy daily in commercial corridors and communities in every borough, providing onsite support to small businesses, and "meeting them where they are at." A clearinghouse of third-party corporately supported programs and organizations, coordinated by EDC, augments the many City-managed programs available and provides our recovery team with a base of support to make referrals based on individual business needs. Access to financing, marketing and e-

commerce support, pro-bono legal assistance, website development & tech support, general business coaching, and overall mentoring are the most common needs we assist with. In addition, a fair amount of time is spent helping businesses navigate the every-changing and sometimes confusing COVID and other business regulations that impact them. Our teams also work very closely and in partnership with the many Business Improvement Districts and Merchant Associations across the City.

Since its inception in October of 2020, the Small Business Resource Network has served just under 30,000 businesses across NYC, with MWBE's making up close to 77% of full program participants, and immigrant-owned businesses representing almost 40% of businesses overall. The Brooklyn Chamber's team has served nearly 7,000 businesses, and we added specialized capacity to serve restaurants and food establishments which needed a heightened level of engagement. In addition, through specialized tech support, the SBRN has completed over 350 websites for businesses that previously had none. The SBRN also in-house capacity to serve businesses in eight different languages, and access to language support in almost any language we may encounter.

I am proud of the work the Brooklyn Chamber has accomplished as a member of this important partnership, and we look forward to continuing and possibly expanding this work in the months to come, should resources allow. The funding provided by the Peterson Foundation represents a \$2MM investment, and the funding commitment is through September 15th of this year. And while the five Chambers are grateful for the \$500,000 investment the Council made in this program last year, our hope is that the NYC Council will fully fund this initiative at the level needed to sustain this important work moving forward, and ensure continuity.

Thank you again Chairwoman Menin and members of the committee for hearing my testimony today, and I look forward to our ongoing collaboration in service of the City's vulnerable but equally resilient small business community.

Randy Peers

President & CEO

Brooklyn Chamber of Commerce

rpeers@brooklynchamber.com

718-875-1000 x 101

Bill Angelos, Senior Staff Attorney
Community & Economic Development
Commercial Lease Assistance Program
Email: bangelos@bka.org
O: 718-487-2366
C: 646-431-2739



Good Morning: My name is Bill Angelos and I am a senior staff attorney with Brooklyn Legal Services Corporation A, known as **BROOKLYN A**. I wanted to address the necessity for our **Commercial Lease Assistance Program** funded by SBS. This program addresses the power imbalance between commercial tenants and landlords.

The following are key issues faced by NYC small business:

1. **Lease is the only Protection.** Commercial tenants do not have meaningful protections. The Lease is the only potential source of protection commercial tenants have.
2. **Landlords have attorneys.** Small business owners are at a disadvantage due to limited financial means to level the playing field against commercial landlords who are represented by counsels. Having an attorney to negotiate rental concession can have a huge relief to many small business owners.
3. **Personal Guarantees.** Nearly all commercial tenants have to sign a personal guarantee. So, if the business fails two years into a five-year lease. The business owner would PERSONALLY owe three years' worth of rent.
4. **Property Taxes.** A portion or all of property taxes pass onto commercial tenants. Small businesses pay property taxes to the landlord even though the landlord may receive an abatement from taxing authorities.
5. **Harassment.** Commercial tenants experience landlord harassment ranging from interference to lockouts and worse.

Brooklyn A's Commercial Lease Assistance Program is the only effective shield against these issues.

For example, I represented a small coffee shop that was in arrears and could not afford rent. The business owners had a personal guarantee. **I was able to negotiate a waiver of \$100,000 in arrears and \$400,000 in rent reduction for the remainder of the 10-year lease. This NYC business will not be closing for many years.**

This result, relief of \$500,000 for a NYC small business owner was possible because I was able to use upfront grant money to negotiate with the landlord.

We need a meaningful dollar amount to approach landlords with, because that will make them come to negotiation table. **The Commercial Lease Assistance Program needs a permanent grant.**

Without Brooklyn A's team and our Commercial Lease Assistance Program these types of outcomes are simply NOT possible.

I thank this committee for your continued support of my team at Brooklyn A, our Commercial Lease Assistance Program, and the small business owners of NYC.

building communities ensuring opportunity achieving justice.

Alham Usman, Esq. Director,
Commercial Lease Assistance Program
Community & Economic Development
BROOKLYN LEGAL SERVICES CORP. A (BROOKLYN A)
ausman@bka.org
718-487-1311



I head the Commercial Lease Assistance Program (CLA) which is funded by NYC SBS. Brooklyn A has headed CLA for over four years.

My team is the first, and often times only, contact point for NYC small business owners. CLA provides high-quality attorneys to help them with commercial tenancy matters.

- To-date we have worked with over 1,800 small businesses and landlords in all five boroughs.
- Since July 1, 2022, my team has represented **small business owners in 900 cases; 500 small businesses (over 1/5 of which are small businesses from the Bronx).**
- **In six months (July 2021- Jan 2022) we were able to obtain \$6.9M worth of relief for 110 small businesses across the five boroughs.**
- Brooklyn A obtained **\$2.59M in grant funding for small businesses and converted that into an additional \$4.31M in relief.** This means the small businesses received waivers of arrears, rent reductions, interest free affordable payment plans, and are able to stay in their commercial space for at least one year.
- **Brooklyn A negotiated over 326 years of lease terms and renewals for these 110 businesses.**
- **Brooklyn A saved over \$2M in legal fees for small businesses.**

No other grant or small business relief program has experienced the results that Brooklyn A's CLA Program has. This is simply because Brooklyn A is the frontline and, quite often, the only lifeline for NYC small businesses.

As the Director of the Commercial Lease Assistance Program I can share two (2) critical realities:

- 1) Brooklyn A's Commercial Lease Assistance Program must become permanent, and you have to trust our requests for expansions thereof.
- 2) The Commercial Lease Assistance Program needs a grant embedded within it. Our business owners approach the negotiation table with nothing. An upfront payment is what makes my team, Brooklyn A, effective in negotiating hundreds of thousands of dollars of arrears away. **\$6.9M in relief obtained is clear evidence.**

Thank you.

Good morning/afternoon. I am the Program Coordinator, for the Community and Economic Development program at Brooklyn A where we manage the Commercial Lease Assistance Program (CLA), funded by NYC Dept. Of Small Business Services. The commercial lease assistance program equips small business owners with high-quality attorneys FREE of cost, to help them understand their rights, commercial lease terms, and have an advocate in any dispute or issues they are facing from their landlords. My intake team and I are on the phone with small business owners seeking our services day and night. Many have called us crying over their debts, harassment they face daily, illegally locked out of their stores, desperate for any assistance. These businesses are their livelihoods. We are on the frontline with them making sure they are not left to fight this adversity alone.

Since July 1st, 2021, we have served over 500 NYC small businesses through the program. Through a grant opportunity, over the last 6 months, we were able to support 110 of our clients and use \$2.5M dollars to negotiate and put \$6.9M back into the pockets of small business owners. Our attorneys used the grant to negotiate better terms, drop lawsuits, waive arrears, pro-bono saving our business owners hundreds of thousands of dollars in legal fees. This is the Commercial Lease Assistance program. I truly feel honored, and lucky, to witness such an incredible impact.

However, this time of year is when we realize we cannot let our business owners know with certainty that they can return to us in the future. The city budget for FY21 did not include the CLA Program. Only after months of advocacy, was it reinstated into the FY21 budget. The FY22 budget increased the funding for the CLA Program. We have been able to expand the program greatly this year, and hope to continue to do so in FY23. The Brooklyn A CLA program needs to be a permanent service for the city's small business owners. It a critical resource, and lifeline, for all of our small businesses. Additionally, our impact depends on the tools of leverage available to us. We need an annual grant embedded into our program, so that we can give our small business owners, what we all know they need, financial assistance.

Thank you for your time today. I hope you all have a better understanding of the NEED for a permanent legal assistance program for small business owners and the impact of grant funding to supplement our attorneys' negotiation tactics. The Brooklyn A CLA program is THE only program of its kind in the nation. New York City is a trailblazer in city support for small businesses. This program must remain. It is an irreplaceable resource for our small businesses.

Aashna Singh

Good morning. My name is Matthew Muntean, and I'm a staff attorney at Brooklyn Legal Services Corporation A. My organization provides free commercial legal services to New York City's small businesses.

The coronavirus pandemic has made clear the fine margins most New York City small business owners must operate their businesses under. Very few of our client's were able to build a cushion that would have softened the blow of the pandemic, the result being that most are behind several months on rent, in some cases with rent arrears of over \$150k, and many are facing imminent evictions. Through all of this hardship, our clients are often harassed and degraded by landlord's with nowhere to turn for relief.

The last two years have highlighted the crisis of opportunity existing in our communities.

There is a crisis of opportunity for a level playing field: small business owners are faced with overwhelming odds of success from the moment they start their businesses. The most important agreement small businesses enter into is their commercial lease agreement. For centuries landlords have exercised power over commercial tenants to such an extent that the now "standard" lease agreement is so unambiguously landlord-favorable that it is not an exaggeration to say landlords hold the fate of their tenants in their hands. The smallest defaults by tenants give landlords the right to terminate leases and accelerate rent payments; tenants waive rights they don't understand because they're unable to afford a lawyer who will take the time to review and explain a complicated contract; and landlords are able to navigate a legal system that doesn't take into account the reality of most small business's circumstances.

There is a crisis of opportunity for our small businesses to fail: our economic system rewards those who take risks in the hopes of greater gain the long term. While those who have accumulated capital are able to risk portions of that capital without the fear of financial ruin, our clients have no such luck. When they decide to open a business, they're putting their entire lives on the line. When their businesses fail, it doesn't impact bottom-lines or end of year bonuses - it impacts whether they are able to keep a roof over their head; whether they can put food on the table; and whether their kids will one day go to college.

And there is a crisis of opportunity to succeed - the pandemic has shown how New York city's small businesses need support navigating the economy of the future. While bankers and corporate lawyers were able to seamlessly adjust to the difficulties presented by the pandemic, the nature of NYC's small businesses doesn't allow for the same innovative solutions during times of struggle. If we want NYC to retain the character that makes it so unique, we must provide our brick and mortar small businesses with the resources to succeed moving forward.

Fortunately we know this is possible. From June 2021 through January 2022, my organization helped administer a \$2.5 million SBS grant program that helped over 100 local small businesses. Not only did small businesses receive grant money to help with rent payments, but their access to high quality legal services secured nearly \$4.5 million dollars in additional benefits through negotiated settlements of arrears amounts and reduced rent payments moving forward. These small businesses also collectively secured hundreds of years of lease term extensions, thus ensuring our communities will continue to be filled with the diverse, unique, quirky small businesses that make New York unlike any city in the world. The success of this program shows how investing in our communities has long term, downstream effects that ultimately saves the city money: for every business that remains open, that's one less court case clogging our legal system already operating last capacity; it's one more family that doesn't have to rely on social benefits to survive; and it's one more child who grows up in a stable home who could one day become a leader of our community.

I encourage this committee to continue to seek new, innovative ways to support our small businesses. They need our help now more than ever. Thank you for your time.



Mon. March 7, 2022

Testimony for City Council's Committee on Small Business
Oversight - SBS's Response to COVID-19

Good morning, My name is Lauren Elvers Collins and I am the Executive Director of the Church Ave. Business Improvement District and the Flatbush Ave. Business Improvement District. The BIDs represent small businesses and properties on Church Ave. from Coney Island Ave. to Flatbush Ave., and on Flatbush Ave. from Parkside Ave. to Cortelyou Rd. With our small staff which recently grew from three to four people managing both BIDs, we serve close to 400 small businesses and work to create a cleaner, safer shopping district that is an ever increasing shopping destination.

I believe that the Dept. of Small Business Services (SBS) did the best they could under very trying circumstances and with a constantly shifting landscape. I don't think anyone was prepared for a situation to shut down the City the way the pandemic did but this is a great opportunity for the new administration to prepare now for the next crisis. If we return to business as usual, we will likely repeat the same mistakes.

Shortly after we all went remote in March 2020, our two BIDs pivoted to add COVID-19 assistance, communications materials, and health services including:

- June 2020: **Created and printed COVID safety posters in English, Haitian Creole, and Spanish** for the BIDs' store windows when not all the City's posters for businesses were in multiple languages. We also designed, printed, and distributed social distancing floor stickers.
- Launched a series of Zoom calls for the forgotten fitness industry to advocate and to develop creative ways for them to continue to serve their clients.
- Dec. 2020 and Jan. 2021: Scheduled BID members for **in-business COVID testing**, provided by Test and Trace.
- March 2021: Arranged **group vaccination appointments** for groups of employees from BID businesses in partnership with Interfaith Medical Center.
- From June 2020 - Feb. 2022: SBS and Test and Trace provided us with **13,000 masks, disinfectant wipes, and hand sanitizer, and last month, 1,800 at-home test kits**, which we have been distributing to businesses both inside and outside the BIDs, property owners, and the community.

What the City and SBS did that worked:

- **SBS's recovery grants and loans for businesses** that had lost income provided funds at a time when it was much needed; the Strategic Impact Grant for BIDs allowed us to temporarily build capacity and put more resources into helping our businesses.
- Supplying BIDs and other local groups with **PPE** for distribution got these items to the community faster, helped the BIDs build relationships with new businesses, and helped us gather community input for our current Commercial District Needs Assessment under SBS's Avenue NYC program.
-

Church Avenue BID & Flatbush Avenue BID Administrative Office
495 Flatbush Avenue, Suite C30, Brooklyn, NY 11225
info@churchavenue.org/flatbushavebid1@gmail.com

- Instituting **weekly/bi-weekly Zooms with BIDs and Friday afternoon updates** emailed to BIDs kept us aware of complicated changes impacting our businesses. Including relevant agencies on these calls was key to allowing the BIDs to get answers to the questions our businesses were asking us.
- The launch of the **Commercial District Recovery Safety Plan (CDRSP)** was a long overdue process that increased BIDs' access to City agencies, enabling us to address quality of life issues quickly.
- **SBS's hotline** of knowledgeable staffers quickly became one of our top referral resources for BID members.

What didn't work:

- **Lack of adequate notice on the City's policy changes**, especially early on in the pandemic, made it very difficult for BIDs to get crucial information to businesses in a timely manner.
- There **wasn't a back-up plan for those small businesses who weren't eligible for grants and loans** due to issues such as informal or incomplete record keeping, not being a "preferred client" at their bank, lack of a separate business bank account, etc. (these issues also impacted their ability to get State and Federal grants).
- **Too many overlapping 'shop NYC' marketing programs** seemed to spread resources too thin.
- The **Open Restaurants program favored businesses with more resources**. The shifting requirements and formidable hard costs were a deterrent for businesses that didn't have the revenue to build and continue to modify their dining sheds to stay in compliance.
- **At-home tests provided to BIDs and local organizations didn't all include instructions in languages** our community could understand.

Opportunities:

- Provide **unrestricted funding to smaller BIDs** to allow us to expand services to our members and increase capacity. The Church Ave. BID and Flatbush Ave. BID spend more than 50% - 60% of our budgets on salaries, sanitation, and rent. Both BIDs would benefit from additional funds to keep the districts cleaner, safer, and to strengthen our businesses so they can keep their doors open.
- Allocate funds to SBS's for a **continuation of SBS's Small Business Resilience Grant program**.
- **Create one online portal for all emergency information**, incorporating both State and City updates and staffed with a dedicated team of policy specialists.
- Help businesses survive the next crisis by continuing to offer **digital courses** to help them get online and conduct these courses at their level, along with ongoing technical support. For those business owners who don't have the skills or staff to monitor and maintain social media, create an in-kind grant to execute monthly social media marketing on their behalf (photography, posts) for an extended period of time.
- Make sure **that all SBS materials are available in those languages most commonly used by NYC businesses**. Also, provide **spoken word versions** in those same languages to close the literacy gap that exists in communities like Flatbush.
- Fund a **collaboration with the Mayor's Office of Immigrant Affairs to handle translations**.
- **Increase funding to SBS to allow for additional hiring (especially bi-lingual staffers) and ensure that dedicated funding is available to maintain SBS's small business hotline**.

**Written Testimony to the New York City Council's Committee on Small Business
Oversight Hearing - SBS's Response to COVID-19 held on March 7th, 2022**



Presented by the Consortium for Worker Education, Inc.

Thank you Committee Chair Menin, Council members and Committee staff for the opportunity to submit written testimony about how the Consortium for Worker Education (CWE) and our network of workforce development community-based organizations (CBOs) and union partners ameliorates the numbers of unemployed New Yorkers. CWE actively engages with the City Council and State agencies to deliver workforce education and training to underserved NYC community residents. CWE's Jobs to Build On program (JtBO) and Worker Service Center Program (WSC) were launched by the City Council as its own Workforce Development initiatives. The fiduciary agency for these programs is the Department of Small Business Services.

Over the course of its history CWE has served tens of thousands of New Yorkers by providing workforce training and job placement services. We do so by partnering with over 40 labor and community organizations. In 2020 CWE and our partners had to pivot, not only to provide continuity of services, but to meet the needs of a changing workforce and job market amidst a global pandemic.

The first pivot we had to make was to online instruction. Each of our partners managed to provide continuity in instruction through the implementation of online courses. As per one example, our partner SEIU 1199 was able to maintain all of its ABE, ESL, HSE courses through online instruction, providing classes for over 1800 adult learners. In addition, it initiated new online training in environmental services, to train non-clinical healthcare workers on infection control; online training for Nurse Assistants leading to in-demand jobs in nursing homes; and Central Sterile Supply processing.

As the pandemic has gone on, we have seen our partners pivot to a mix of online, in person, and hybrid instruction. These varying approaches have come with benefits and challenges. In a recent survey sent to our partner organizations, many noted the benefits of in person instruction, both on the quality of education and on the retention of participants. However, many also noted the difficulties that have arisen with instructors testing positive and the

corresponding disruptions to classes. Online instruction, while not as strong as in person, has generally provided greater stability and allowed individuals to participate regardless of their relative commuting proximity to the partner organization.

The pandemic has also placed greater demand on our partner organizations to provide enhanced wraparound services. This has largely come in the form of food assistance, direct cash benefits, and enhanced mental health counseling services. These wraparound services have been able to effectively supplement our training programs, in order to provide participants with the stability they need to be put on a path towards long term employment.

Our programs have not simply had to adapt to the pandemic, but respond to it in meeting the changing demands of the workforce and job market. According to James Parrott, the Director of Economic and Fiscal Policies at The New School's Center for New York City Affairs, the jobs impact on New York City was over three times greater than the US. While some have noted a relatively tight national job market, many in NYC have been left struggling looking for work. As Parrott notes in a December, 2021 report, "The pandemic has induced far steeper New York State job losses than any other economic event since at least 1939, and the Empire State's 805,000 pandemic jobs deficit as of October was three times that of the nation overall. With 6.4 percent of national jobs before the pandemic, New York now accounts for 19.2 percent of all the pandemic's U.S. job loss."¹

This large disruption in the NYC economy has come at the expense of our most vulnerable communities. As with any shift in economic activity, there is a vital need to provide training and placement to move those affected into new stable employment. This has come in the form of partners reorganizing or expanding their programming offerings to provide more service for in demand fields, such as data analytics and healthcare. We have also seen greater demand for ESL courses due to the demographics of those who have been most impacted by the employment crisis.

CWE, through its robust network of partners providing job placement and training services, has been able to respond dynamically to meet the needs of our participants over the past two years. We have engaged in proactive steps to procure information from our partners and shape our programming accordingly. As our city continues to adapt and recover from the pandemic induced changes in the economy, we are intent on continuing to be proactive in serving the needs of New York's unemployed and underemployed residents.

¹ James A. Parrott, New York State's Lagging Recovery from the Covid-19 Pandemic, Center for New York City Affairs (CNYCA) at The New School, December 14, 2021.
<http://www.centrernyc.org/reports-briefs/new-yorkstates-lagging-recovery-from-the-covid-19-pandemic-t-kndj>



Remarks delivered by: Guy Yedwab, President, Board of Directors

On behalf of: League of Independent Theater

March 6, 2022

Committee on Small Business

Testimony on COVID-19 Response

Thank you to the committee for the opportunity to speak to you today.

The League of Independent Theater is an all-volunteer advocacy organization for workers and owners of small, 99-seat-or-less theaters across all five boroughs. We are also a member of the United for Small Business coalition. These are small cultural businesses, and small-size theaters contribute \$1.3B in economic output, 8,400 full-time jobs, and \$512M in wages.¹ And these businesses were among the hardest hit – first to shut down, and last to reopen. Our industry is still vulnerable – when Omicron raged, many of our member theaters cancelled shows yet again, forfeiting needed income to keep our audiences safe.

Within our community, the elephant in the room is two simple and devastating words: back rent. During all the days our theaters were closed during the first surge, delta, and omicron, we still owed rent. I've spoken with owners who owe upwards of \$100,000 in rent, having been unable to pay any rent at all for months at a time. Small cultural businesses are not the kind of high-return businesses that lend themselves to the deep reserves of money required to weather the storm. The need for support is deep and continues.

Our community has had such a difficult time accessing support. Both state and local small business relief have been limited to for-profit enterprises. As you noted, Chair Menin, arts organizations like Chashama, Art Downtown, and Music Downtown play as much of a role in

¹ N.Y.C. MAYOR'S OFFICE OF MEDIA AND ENTERTAINMENT, ALL NEW YORK'S A STAGE 8 (2019), <https://www1.nyc.gov/site/mome/news/11202019-small-theater-study.page>.



economic activity and employment as for-profit organizations, yet are often treated differently in grant. For example, our members face eviction, the Commercial Lease Assistance program that provides legal aid for commercial tenants is also limited to for-profit enterprises. These services are critical, now more than ever: Now that the eviction moratorium has ended, all that back rent is now coming due. And they certainly aren't able to take on any more loans.

I also want to respond to the concerns discussed of vacant storefronts. We can't tackle the problem without talking about the root cause: high and growing storefront rents. Businesses within our community have permanently lost spaces after rents have been doubled or tripled, even during the pandemic. It's absurd that storefronts sit vacant, yet asking rents remain so high. Yet NYC Department of City Planning noted in its vacancy report that spaces are sitting vacant because landlords are waiting for higher rent. That's why the League of Independent Theater also calls on this committee to take action and reintroduce and pass Commercial Rent Stabilization. Seattle implemented something similar during the COVID pandemic to prevent small business displacement during this crisis, and would have a long-term impact here. It would remove the incentive to leave spaces vacant waiting for a national chain to pay double and would allow businesses to predict their future costs and create a sustainable long-term plan. While we address the sharp pain of the present, let's also set businesses on a long-term path to the future.

I've had conversations where my members have asked me whether more help is coming, or whether they need to start reaching out to bankruptcy attorneys. They worry that everyone thinks the problem is solved. With such a bleak economic perspective, they need confidence that if they continue operating, they'll be supported and protected. Please take action to enable



non-profits to access all SBS programs and reintroduce and pass Commercial Rent Stabilization today.



NYC Council Committee on Small Businesses

Public Hearing

Oversight - SBS's Response to COVID-19

March 10, 2022

Written Testimony from Long Island City Partnership

The Long Island City Partnership (LICP) advocates for economic development that benefits the industrial, commercial, tech, cultural, tourism, and residential sectors of Long Island City (LIC), home to more than 6,900 businesses across a range of industries. Our mission is to attract new businesses to LIC, retain those already here, welcome new residents and visitors, and promote a vibrant and authentic mixed-use community. Among other programs, we manage the LIC Business Improvement District (LIC BID) and Industrial Business Zone (IBZ), providing through both one-on-one assistance to a wide range of companies including accessing financing, cutting red tape, navigating incentives, hiring and training employees, and more.

We have seen the drastic toll that the pandemic has had on our business community in the last two years; but at the same time, our community demonstrated great resilience throughout the pandemic. Much of this is the result of the hard work put in by SBS and other city agencies at every stage of the pandemic—first COVID, then Delta, then Omicron. We appreciate the effort to provide businesses with support and relief during this tough economic time. However, the fight is not over. As New York City recovers with growing confidence and growing strength, we believe that there are a number of initiatives, programs and policies that can be improved to make them work better:

- **Insufficient notice on shifting policies**
Rules and guidelines were constantly changing without proper notice causing not only confusion but also cost many businesses hundreds and thousands of dollars of extra expenses in trying to avoid fees and penalties.
- **Inadequate communication to small businesses**
Small businesses don't have the luxury of time when they are in a tight labor market. Many are still understaffed. Important information should be shared with small businesses in a way that recognizes their time and availability constraints.
- **Lack of coordination and consistency between agencies**
Agencies tasked with inspections and/or assistance were often not in sync. This resulted in inconsistent enforcement with business owners receiving multiple inspections or notices from different city agencies often relaying conflicting information.
- **Lack of clarity in rules of new programs created during the pandemic**
Inspections, summons, cease and desist orders are still confusing for businesses to understand and know exactly what issues to correct. This challenge is compounded for minority business owners.
- **Insufficient relief funds that were distributed inequitably**
Some small businesses are still unable to receive adequate public relief funds to support or continue their operations. Tax liens, proof of decrease in sales, and inadequate funding for relief programs, are among the top challenges.

We have a few considerations we hope that the City takes into account for future initiatives to support the small business community.

- **Provide proper and timely communication of rules and guidelines in simple, easy to understand language for small business owners**
- **Improve coordination amongst different agencies**
- **Train inspectors frequently on the latest rules to help promote conformity between inspections**
- **Set up a cross-agency body with authority to clarify rules to reduce inconsistency among agencies**
- **Provide adequate funding and equitable access to business pandemic relief programs that supports small businesses**

We encourage the City to take these considerations into account for future initiatives, and thank Chair Menin for this opportunity to testify.

New York City Council
Committee on Small Business
NYC Council Member Julie Menin, Chair

COVID-19 Oversight Hearing//Department of Small Business Services

Testimony of:

Dawn Kelly
Founder & CEO
The Nourish Spot
107-05 Guy R Brewer Blvd
Jamaica, NY 11433
718.526-2099 Phone
<https://linktr.ee/thenourishspot>
nourish.eden@gmail.com
@thenourishspot

I am Dawn Kelly founder and owner of The Nourish Spot, a brick-and-mortar quick serve cold pressed juice, smoothie and salad bar in Jamaica, Queens, NYC. Thank you for this opportunity to lend my perspective about the Department of Small Business Services' impact during the last 25 months of the covid19 pandemic.

When the pandemic struck NYC in March 2020, The Nourish Spot, my Black family-owned micro business of the year had only been open 19 months. In fact, we officially cut the ribbon to open our store on September 9, 2017.

New York City Councilwoman Julie Menin, thank you and the New York City Council for conducting this examination of the myriad ways NYC SBS positively impacted The Nourish Spot Inc. and exploration of the gaps in service from the city that left me frustrated but hopeful that one day things would change.

Glad that the day has arrived. First, I want to go on record with my belief that all our review must be tempered with the fact that none of us have ever experienced a pandemic of this nature before. Secondly, I believe that City government was evolving in place as the whole metropolis – individuals, nonprofits, and corporations – were navigating the stresses brought on by covid19. No entity emerged unscathed.

Bootstrapped and established in September 2017, The Nourish Spot Inc., a brick-and-mortar, quick serve cold pressed juice, smoothie, salad, and yogurt bar persisted through the pandemic through the sheer grit and creativity of myself and our collegiate staff and high school interns.

Going into the pandemic, we were extremely appreciative of NYC SBS because their New Business Activation Team was instrumental in helping us getting us to opening day. Our small business advocate, Lisa Ennis, directed us through the labyrinth of paperwork and inspections to get us to ribbon cutting day. Ms. Ennis has been available to us for guidance since that day.

In addition, in 2019, I was invited to serve as a mentor for WE NYC, then a focused campaign to provide women in NYC streamlined access to information and resources to start up, build and expand businesses. I was also completely intrigued by the City's coordinated moves to promote its new BE NYC initiative designed to help Black entrepreneurs, throughout the five boroughs, succeed through business acumen training, access to capital and more.

So, I entered 2020 with positive feelings about NYC SBS and felt compelled to share its benefits regularly with fellow entrepreneurs in my SE Jamaica, Queens community. I'm sure Ms. Ellis can attest to the number of aspiring entrepreneurs I continually refer to her for assistance as well.

On March 16, 2020, after conferring with our NYS Assembly member Alicia Hyndman, I learned that The Nourish Spot would be considered an essential business. I cautiously made the decision to remain open despite the streets being hauntingly quiet except for the constant sirens of ambulances piercing the air.

To navigate Covid19, we immediately reduced our hours of operation, pivoted to curbside service, and no longer allowed customers or delivery drivers to enter our small venue, purchased a handheld POS, instituted use of masks by staff indoors (which we will continue to follow when handling food); constantly checked temperatures, and collected vaccine information

Again, I leaned on Lisa Ennis for instruction and guidance about the constantly changing rules and regulations relating to covid19. I also inquired regularly after city grants.

Ms. Ellis shared news of various loan funds but as a bootstrapped business, I was risk averse to assuming debt while building the business. I was not interested in applying for any loans from the city or anywhere else to cover losses, make payroll or purchase inventory because of the precarious situation the whole world found itself in.

Honestly, it seemed counter intuitive to me to assume debt in such unstable and uncertain times.

Initially, the city offered no grants, so I sought philanthropic grant funding. Fortunately, I was successful in raising funds which helped to sustain our business and cover costs including exorbitant Con Edison bills.

In June 2020, Ms. Ennis, my Small Business Advocate informed me of the Restaurant Revitalization program. We immediately applied and were accepted. Participating allowed us to offer our staff members, that did not quit, an additional amount of money on top of their regular salary. The increase was game changing and helped staff retention. The extra funding also helped to improve staff morale during a very depressing & decreased revenue generating time across New York City. We also occasionally received masks and gloves from the city which were treasured because prices skyrocketed.

However, I was also often wondering out loud why the City was not partnering with locally owned food businesses during the pandemic to help eliminate food insecurity in captive neighborhoods across the boroughs instead of giving the lion share of the funds to large companies, often not NYC MWBEs. If the City would have created subsidized channels for small, local owned certified food businesses, that already enjoy relationships with community members, to help provide meals to individuals, schools, shelters and more, I believe the entire ecosystem would have benefited and neighborhoods and relationships strengthened.

This year, I joined the Board of the NYC Hospitality Alliance and Queens Together. I also recently joined NYC SBS Food and Beverage roundtable. I believe another important by-product of the pandemic is community and finding synergies upon which to collaborate. I look forward to using my voice on the Roundtable, with the Alliance and Queens Together to help the agency evolve further to provide best-in-class products and service to Gotham's entrepreneurs.

I believe the pandemic was a learning experience for everyone. I believe NYC SBS did a lot right. The agency conducted research and double downed on digital tools. I know because I used them. I also kept in close contact with Ms. Ennis, my small business advocate/advisor.

I believe the NYC SBS should increase its legion of small business advocates. I believe that NYC SBS should employ some urban planners to help build reciprocal communities so that all the needs in our communities can be met, when possible, by locally sourced NYC certified business enterprises. I also believe that NYC SBS should figure out how to offer more grants or equity funding to its small businesses and not rely so much upon loan debt.

Thank you again for this opportunity to weigh in on this important topic.



**TESTIMONY BEFORE NYC COUNCIL
COMMITTEE ON SMALL BUSINESS
March 7th 2022**

We are respectfully submitting this testimony on behalf of the NYC BID Association. The BID Association represents the 76 individual BIDs throughout the City that serve as stewards of our diverse commercial corridors and neighborhood public spaces. Our mission has always been to support the nearly 100,000 local businesses we serve, to keep our neighborhoods clean and safe, and to bring prosperity to our communities. Never has our work been more vital and essential than it has been during the COVID-19 pandemic. Our members have worked tirelessly throughout the crisis, educating and delivering resources to our small businesses and workers. We are pleased to present this testimony today on the SBS response to the pandemic.

The COVID-19 pandemic has been a historic crisis for our city and our small businesses, many of which went with little to no revenue for months or years. The Department of Small Business Services had a herculean task of trying to help countless business to survive. All of our BID directors were doing to same thing and has truly been a relentless struggle. It was also a constant battle for many small businesses to keep up with the evolving government mandates and the mix of city, state, and federal relief opportunities. SBS and the BIDs worked together as closely as possible to help our small businesses during these trying times.

SBS was in regular communication with BID leadership across the city, and established helpful standing weekly meetings that have continued through this week. This has been a major and welcomed step towards ensuring close collaboration between the city and the local neighborhoods we serve. Together we worked to share information with local businesses, launch new programs, and tried to cut through inter-agency red tape. These efforts were not without their challenges, but we do appreciate the Department's close, ongoing partnership.

The much-discussed challenges with various grant and loan programs being more readily accessed by more established and resourced businesses is one that has existed at all levels of government throughout the pandemic. We do support efforts to ensure that future funding is more equitably distributed throughout the city and especially to our smallest and storefront businesses. The BID Association will continue to be a partner in sharing information on the City's evolving COVID policies and relief efforts.

The BID Association is very concerned about the increasing rates of storefront vacancies throughout New York City that has become more stark during the pandemic. We've long worked with the City Council and various agencies to share ideas for how to stem this tide. While the Council has focused on onerous commercial rent control policies, we have generally supported more creative and less blunt policy instruments such as renewal incentives and pop-ups. We know that SBS shares an interest in these issues and we look forward to an ongoing dialogue.

One thing that is always helpful for small businesses is cutting unnecessary red tape. If the pandemic had a silver lining, it's that it showed that businesses will follow rules even with less onerous application process and enforcement. Open streets, open restaurants, and open storefronts have all been a testament to that.

This is why we've welcomed the reduction of fines and an emphasis on education during the pandemic, culminating in legislation passed last year by the Council and now the Mayor's Business Forward executive order. We hope that the Business Forward EO will identify additional avenues for regulatory relief that we can all work on together to implement.

The BID Association is already in close communication with Commissioner Kim and his staff. We look forward to being a continued close partner with SBS, the Mayor and the City Council as we start to recover from this terrible pandemic. Our small businesses are relying on us now more than ever.

Thank you,

Elizabeth Lusskin & David Estrada

Co-Chairs

New York City BID Association

Good afternoon and thank you for allowing me to attend this hearing. I am Jonathan Forgash the executive Director of Queens Together.

We are an organization that empowers and supports hundreds of restaurants and a “Plate it forward” program that helped feed hundreds of frontline workers and over 250,000 people facing food and economic insecurity since COVID shut down NYC. We are a network of Queens restaurants and community organizations working together to improve the public health and wealth of NYC’s largest borough. I am also on the board of the New York City Hospitality Alliance.

Former SBS Commissioner Jonnel Doris and Emergency Response Unit Director Bernadette Nation were a strong resource and our partners during COVID and Hurricane Ida. We have worked with them to distribute information regarding grants, training, education, and Covid related services. We have worked with the ERU to pinpoint and help restaurants hurt by flooding from hurricane Ida. We thank them for their support and good work.

That being said, we have identified 3 areas for improved connectivity with the small business community in New York City.

1. Contract with organizations like Queens Together to connect SBS to small business via our boots on the ground, grassroots connections within the queens small business community. We discovered during our own resource outreach that many small businesses had not seen or heard about these SBS resources until we got it in front of them. How many more might have been helped with more effort spent on localized partnership and outreach?
2. The ERU needs to be expanded tenfold. They do not have the funding and manpower to support our vast small business community. The ERU should connect and contract with community service organizations such as Queens Together, to be their eyes and ears on the ground during an emergency to pinpoint and focus their response services where it’s needed most. For example. After hurricane Ida, Queens Together reached out through our network of restaurants across Queens to find out who was damaged and needed immediate support. We then reached out to ERU and relayed this vital information to them. Once again we thank Director Bernadette Nation And her amazing team for their service.
3. The resources and information offered by SBS and other city agencies are often complex and overwhelming. On behalf of mom and pop small businesses everywhere, we ask you to simplify the messaging and streamline the process to get grants and resources.

In conclusion, we urge the city council to create funding that supports CBO partnership with SBS and other agencies. This will be a powerful local connection network to those in small business across NYC. Thank you for your time.

TAKEROOT JUSTICE

Testimony to the NYC City Council

Committee on Small Business

SBS's Response to COVID-19

March 7, 2022

Good afternoon. My name is Paula Segal. I am speaking today as Senior Staff Attorney in the Equitable Neighborhoods practice of TakeRoot Justice. TakeRoot works with grassroots groups, neighborhood organizations and community coalitions to help make sure that people of color, immigrants, and other low-income residents who have built our city are not pushed out in the name of “progress.”

TakeRoot is also a member of United for Small Business NYC (USBnyc), a coalition of 15 organizations and community groups in NYC fighting to protect small businesses and non-residential tenants from the threat of displacement.

Today, I will focus my remarks on the need for continued direct relief funding for small businesses that were forced to close their doors when the pandemic began and have to date been unable to access any funds from Federal, State or City sources to help pay rent that was due in the months when no revenue came in.

TakeRoot provides direct legal representation to low-income small business owners via a contract with the Department of Small Business Services (TakeRoot is a subcontractor to Brooklyn Legal Services Corporation A). Thus, we have counseled over hundred small businesses negotiating with their landlords about rent and tenancy.

Today, the most frequent case I see is a small business with 3-6 months of rent still due from Spring 2020, with average arrears of \$40,000, seeking financial assistance to resolve that debt to avoid eviction and bankruptcy. Even if business has come back and they were able to pay after reopening, there is no way for a business like a barber shop or sewing machine repair to make enough money to pay for months when it made none.

SBS *has* made funding available through direct grants in the last year, but the application portal closed within weeks of opening at each round. None of my clients who would have been eligible were able to apply. It is imperative that the City create another round of grants and ensure that our smallest businesses have access to the application process before money again runs out.



Further, no agency or organ of government has yet addressed the impact of out-of-control rents on the ability of small businesses to survive in New York City. Small businesses provide affordable goods and services, and act as the connective tissue of our neighborhoods. With no legal framework prohibiting landlords from doubling or tripling rents when leases expire, a just recovery that includes small businesses will not be possible. I urge this Council to act swiftly to enact commercial rent stabilization; last session, a hearing on the bill held in September lasted nearly eight hours and clearly demonstrated the need for rent regulation and the connection between regulation and recovery.

Contact: Paula Z. Segal, Senior Staff Attorney
psegal@takerootjustice.org (646) 459-3067



**Testimony to the NYC City Council
Committee on Small Business
SBS's Response to COVID-19**

March 7, 2022

United for Small Business NYC (USBnyc) is a coalition of community organizations across New York City fighting to protect New York's small businesses and non-residential tenants from the threat of displacement, with particular focus on owner-operated, low-income, people of color-run businesses that serve low-income communities and communities of color. Small businesses are cornerstones of our city and neighborhoods. They provide jobs, culturally relevant goods and services, and community, keeping our neighborhoods thriving and vibrant places to live.

During the COVID-19 shutdown of spring 2020, countless small businesses lost months of revenue but they still had to pay rent on their space, leading to tens of thousands of dollars in rent arrears and potential eviction and bankruptcy. In New York City, the soaring cost of commercial rents have stayed on trend with pre-pandemic rents, and individual landlord negotiations are not enough to keep small businesses alive.¹ With the expiration of the statewide eviction moratorium, the potential for eviction looms closer and closer each day for those small businesses with crushing rent debt.

These businesses need direct relief funding and often have been unable to access funds through federal, state, or city programs. Paycheck Protection Program loans were only available for businesses that had employees, excluding sole proprietors and businesses with other models—like barber shops that rent out chairs. Even for those who were eligible for PPP, a large portion of those loans could not be dedicated toward operating costs such as rent. In addition, analysis from the Association for Neighborhood and Housing Development shows that PPP loans were not equitably distributed and were less likely to reach businesses in low-income communities and communities of color.² For businesses shut out of these opportunities, accessible relief funding from the City is the difference between resolving their debt and continuing to operate, and shuttering.

SBS grant programs and the LMI Storefront Loan program both ended long before the most vulnerable business owners were able to evaluate the opportunities and apply. Even among those

¹ <https://www.curbed.com/2021/10/most-storefront-rents-in-new-york-are-as-high-as-ever.html>

² <https://anhd.org/blog/new-yorks-small-businesses-left-out-paycheck-protection-program>



who would have been eligible, many were not able to apply within the short timeframe during which the application portal was open. The funding that is made available should be as accessible as possible, in order to reach businesses that were not able to apply in previous rounds.

Business closures can destabilize commercial corridors and the communities who rely on them for jobs, goods, and services. We urge you to open up another round of grants accessible to those so far left out, like our smallest businesses facing crushing rent debt.

USBnyc members are Asian American Federation, Association for Neighborhood & Housing Development (ANHD), Bridge Street Development Corporation, Brooklyn Legal Services Corporation A, Chhaya CDC, Cooper Square Committee, League of Independent Theater of New York (LITNY), Legal Aid Society, NYC Artist Coalition, NYC Network of Worker Cooperatives, New York Immigration Coalition (NYIC), Street Vendor Project, TakeRoot Justice, Volunteers of Legal Service (VOLS), and Women's Housing and Economic Development Corporation (WHEDCo).

Hi,

My name is Ashley Gray, and I was referred to you by Dawn Kelly, owner of the Nourish Spot. I would like to take a minute to discuss how the SBS has helped my business. I wish I could say that I have had great success working with the SBS, but I have not. I own a store and event space in the East Village. I opened my business in February 2020, which disqualified me from accessing COVID relief funds of any kind. While my landlord was initially amenable to rent adjustments due to the pandemic, they reneged at the last minute and I now owe a significant amount of back rent and my landlord has taken me to court. There was no feasible way for me to pay the full rent and hope to either have a business post-pandemic, or be able to pay for my personal obligations. The most that the SBS has done is send me hyperlinks on how to certify to be an MWBE business, but that is it. My business is one of very few black woman owned businesses in lower Manhattan. I have tried to no avail to access help so that my business can survive the pandemic, but have not received any. My business was forced to close during shutdown just like any other business, but I am being penalized due to arbitrary operational dates. Rent is usually a business's largest expense. Removing the eviction moratorium and not offering any commercial rent relief or legislation to help businesses not be evicted is extremely cruel and shows how little NYC actually cares about small businesses and their owners, especially those of us of color who are historically under-funded and under-represented. I am hoping by some miracle, I am able to keep my business going and come up with the rent arrears that my landlord is seeking. I am fighting to ensure that my business will not be yet another unnecessary Covid casualty, but I need help from the city to do that.

Thank you,
Ashley

**Michele Birnbaum
Park Avenue
New York, NY 10028
Fax: (212)427-8250
Email: mbfany@nyc.rr.com**

The New York City Council Committee on Small Business' oversight hearing

March 7, 2022

Councilmembers –

Thank you for adding this testimony to the record.

While I am a member of Community Board 8 Manhattan's Small Business Committee, I am testifying today on my own behalf.

New York City is filled with the most enterprising, savvy entrepreneurs, and we should do all we can to help unleash their full potential so that they can be successful.

That means providing an environment in which success can happen – safe streets, efficient and safe transportation, low taxes and the repeal of the rent tax.

Looters and saboteurs should be arrested and charged and kept incarcerated until their cases are adjudicated.

A safe city would help to relieve the costs of otherwise necessary security systems and guards.

Storefronts should have metered parking available to its customers thereby encouraging stopping, browsing and buying, and where appropriate, we should permit businesses to share a bricks and mortar store, like *Dunkin'* and *Baskin Robbins* do in some locations.

However, it does not mean that we should advocate for additional financial aid or the lowering of health and sanitation standards nor effect changes to zoning laws that leave the rest of the community in jeopardy and negatively impact the quality of life of residents and other businesses.

My name is Patricia Boccato, I am a small business owner in Brooklyn and Queens. I own 3 small businesses all of the in the hospitality industry or fully dependent on income from the hospitality. During the height of the pandemic we spent countless sleepless nights preparing paperwork and applications only to find ourselves hitting the refresh button on myriad state and government websites in order to secure every loan possible to avoid going out of business. We currently have SBA loans from the city, EIDL loans from the federal government. We employ over 50 people in New York City and have employees from all 5 boroughs. Now that the worst of the pandemic is hopefully over we are left holding the bag with huge loans plus interest looming over our heads. Considering that the current administration's restaurant relief act was largely ineffective for most businesses owners we are still stuck with a revenue gap revenue from 2019 to 2020 that adds to our debt from the loans we secured. While the revenue was not coming in, the rent and bills did not stop, in all three of my business we did only 10% of the business we would on a normal year. I would ask NYC to consider doing what the federal government failed to do and forgive SBA loans for the hospitality industry and those industries directly reliant on restaurants and bars based upon qualifying proof of their income gap between the two years of 2019 to 2020. This could be the single most impactful gesture that the city could make for businesses such as ours.

Thank you.

Patricia Boccato