

COMMITTEE ON SMALL BUSINESS

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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March 7, 2023

Start: 10:05 a.m.

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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: Julie Menin, Chairperson

COUNCIL MEMBERS:

Selvena N. Brooks-Powers

Tiffany Caban

Shekar Krishnan

Darlene Mealy

Sandra Ung

Marjorie Velazquez

A P P E A R A N C E S

Kevin D. Kim, Commissioner of the New York City
Department of Small Business Services

Jackie Mallon, First Deputy Commissioner of the
New York City Department of Small Business
Services

Dynishal Gross, Executive Deputy Commissioner of
the New York City Department of Small Business
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Erin Pascopink, New York City BID Association
volunteer Co-Chair of our Contracting Working
Group and Executive Director of the Grand Street
BID in Brooklyn

Carina Kaufman-Gutierrez, Deputy Director of the
Street Vendor Project

Greg Morris, CEO of the New York City Employment
and Training Coalition

Angelica Novoa, Director of Training and
Education at New Immigrant Community Empowerment

Beatrice Ajaero, owner of Nneji restaurant in
Astoria, member of Queens Together and the New
York City Hospitality Alliance

Alex Stein

Guy Yedwab, League of Independent Theater

SERGEANT-AT-ARMS: This is a microphone test for the Committee on Small Business. Today's date is March 7, 2023. Location Chambers. Recorded by Edery Gonzalez-Rodriguez.

SERGEANT-AT-ARMS: Good morning and welcome to the preliminary budget hearing on Small Business.

At this time, we ask if you can please place phones on vibrate or silent mode. Thank you.

Chair, we are ready to begin.

CHAIRPERSON MENIN: [GAVEL] Thank you very much. First of all, I am City Council Member Julie Menin, Chair of the Council's Small Business Committee, and I want to welcome everyone to today's hearing.

First of all, before we begin, I want to just say that the Committee may not get to all of the questions so we will be sending up a followup letter for any unanswered questions.

I want to, again, welcome everyone to today's hybrid budget hearing. Today, we're going to be hearing from the Department of Small Business Services on their Fiscal 2024 preliminary budget. Small businesses are literally the backbone of our

economy, and I believe it is what makes New York City neighborhoods truly one of a kind. As such, I want to hear from the agency on how the preliminary plan is responding to the needs of our small business community. During the last couple of years as our small businesses dealt with the turmoil of the pandemic, the agency launched new programs such as 40 Open Street, Small Business Acceleration, Small Business Portal, Small Business Residents Fund, and Small Business Mobile Unit among others. I have to say that I am disappointed to see that funding for many of these programs is not included in the preliminary plan. Our small businesses continue to need the City's support as they recover from the impacts of the pandemic. I want to know what the agency's long-term plan is for helping small businesses continue to recover from the pandemic. The Fiscal 2023 current plan stands at 440.3 million with 107 million coming from federal funds. Federal funds drop to 41.3 million in the Fiscal 2024 preliminary plans. What programs have been impacted by the reduction in federal funding? How will the city funding make up for the reduction in federal funding? The Fiscal 2024 preliminary budget for SBS totals

164.3 million with 30.3 million, or 18.4 percent, proposed for personal services to support 317 full-time employees. Does the agency believe that 317 full-time employees is the optimal number of positions necessary for the agency to efficiently delivery key City services? What positions were impacted by the Mayor's Vacancy Reduction Plan? How does the Vacancy Reduction impact the agency's ability to provide services to the public?

It is the Council's responsibility to ensure that the City budget is fair, that it is transparent, and that it is accountable to all New Yorkers. This includes equity in funding and assistance. As the Chair of the Committee of Small Business, I will continue to push for accountability and accuracy and ensure that the budget reflects the needs and interests of the City. I look forward to an active engagement with the Administration over the next few months to ensure that the Fiscal 2024 adopted budget meets the needs and the goals the Council has set out. This hearing is a vital part of that process, and I expect that SBS will be responsive to the questions and concerns of Council Members.

2 I want to thank Commissioner Kim for
3 testifying today. I also want to thank my Staff and
4 the Staff of the Finance and Legislative Divisions
5 for their hard work and help in preparing for this
6 hearing.

7 I also want to recognize that we've been
8 joined by my Colleague, Council Member Sandra Ung,
9 who is on the Zoom, and I will recognize additional
10 Colleagues as they join.

11 Thank you so much. Rebecca, I'll turn it
12 over to you. Thank you.

13 COMMITTEE COUNSEL: Thank you, Chair. We
14 will now hear testimony from the Administration.
15 Before we begin, I will administer the affirmation.
16 Panelists, please raise your right hand.

17 Do you affirm to tell the truth, the
18 whole truth, and nothing but the truth before this
19 Committee and to respond honestly to Council Member
20 questions?

21 COMMISSIONER KIM: I do.

22 FIRST DEPUTY COMMISSIONER MALLON: I do.

23 EXECUTIVE DEPUTY COMMISSIONER GROSS: I
24 do.

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2 COMMITTEE COUNSEL: You may begin when
3 ready. Thank you.

4 COMMISSIONER KIM:

5 Good morning, Chair Menin and Members of
6 the Committee on Small Business. My name is Kevin
7 D. Kim, and I am the Commissioner of the NYC
8 Department of Small Business Services or SBS. Joining
9 me today are SBS's First Deputy Commissioner Jackie
10 Mallon and Executive Deputy Commissioner Dynishal
11 Gross along with members of my senior leadership
12 team. I am pleased to appear before you today to
13 offer my testimony on SBS' Fiscal Year 2024
14 Preliminary Budget.

15 SBS' FY24 Preliminary Budget is 164.3
16 million dollars with a headcount of 317 employees,
17 11 higher than at the start of this
18 Administration. Our budget includes 71.9 million
19 dollars in pass-through funding to other City
20 entities, including the NYC Economic Development
21 Corporation or EDC, NYC and Co., and Governors
22 Island. We serve as a conduit to these entities,
23 and thus, do not spend or manage any of those
24 funds. The remaining 92.4 million dollars is
25 allocated to SBS' own programs and services. This

budget enables us to continue to support New Yorkers in our recovery.

A year ago, I sat before you as a newly appointed Commissioner and presented several items from Mayor Eric Adams' Blueprint for Economic Recovery, Our Roadmap to Prosperity. I'm pleased to report that in the year since, the dedicated staff at SBS rolled up their sleeves and got stuff done for the jobseekers, businesses, and neighborhoods we serve. We could not have accomplished all we did without the support and cooperation of our partners, including the 76 Business Improvement Districts or BIDs, merchant associations, Chambers of Commerce, non-profit community-based organizations, and, of course, you, our local elected officials.

Under the Mayor's leadership and with support from Chair Menin and the Members of this Committee, SBS helped build a path to recovery. Tourism and retail spending, for example, are returning to pre-pandemic levels. According to the latest numbers from EDC, NYC's private sector added approximately 200,000 jobs since December 2021 and approximately 13,600 new businesses have

launched in the city in the first six months of 2022. We have more positive data to share later in the testimony, but I want to first provide an overview of our agency and its mission.

SBS' mission is to unlock NYC's economic potential and create economic security for all New Yorkers by connecting them to good jobs, creating stronger businesses, and building thriving, vibrant neighborhoods. We advance this mission daily through the work of our four main divisions: the Division of Business Services or DBS, the Division of Economic and Financial Opportunity or DEFO, the Workforce Development Division or WDD, and the Neighborhood Development Division or NDD.

Our DBS division helps businesses connect to financing options and to free resources, ranging from business courses to legal services. A prime example of a DBS success story is its work to help open the Urban Hawker food court in midtown. A business concept since 2013, the City's first Singaporean food hall finally opened its doors in September 2022 but not before facing numerous regulatory challenges to open. SBS staff worked diligently for eight months to help

the 18 small businesses in the food hall navigate permitting processes, inspections, and even staff recruitment.

This is just one of many success stories at SBS. As Commissioner, I have met with hundreds of New Yorkers from Flatbush to Far Rockaway to Fordham Road who are on similar journeys and appreciate this Administration's focus on easing regulatory burdens, including through Mayor Adams' second executive order - also known as Small Business Forward. Thanks to Chair Menin's partnership, we look forward to finalizing dozens of reforms through legislation, putting millions of dollars back into the hands of small business owners. Today, the work of Small Business Forward continues through Mayor Adams' Small Business Advisory Commission and the development of the NYC Business Portal, a one-stop-shop for local entrepreneurs to navigate multiple City agencies as we continue to make NYC a City of Yes for small businesses.

Slashing through burdensome regulations was just the first step. Last spring, SBS launched our new NYC Business Express Service Team or NYC BEST

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to save business owners time and money by streamlining government processes, providing one-on-one assistance with permits and licenses, and guidance to avoid violations and fines.

We also prioritized community outreach by creating our first-ever agency-wide outreach unit dedicated to getting our services out into all neighborhoods, focusing on underserved communities. In FY22, for example, we conducted 26 mobile outreach events, and we have already exceeded this in FY23 with 30 events held across 25 different neighborhoods, prioritizing outreach in-language and in tandem with trusted community partners. We also never miss an opportunity to promote our SBS Hotline, 1-888-SBS-4NYC, which recently passed 100,000 calls since its launch during the pandemic. Our outreach efforts dramatically increased our ability to deliver other services as well. In FY22, for example, compliance advisors advised 1,622 unique businesses, nearly four times as many as the previous fiscal year, and we have already surpassed that number in FY23 at 1,800 businesses served. Another example is our success with the

Commercial Lease Assistance program. In FY22 alone, we served 16 percent more businesses than the total number of businesses served in this program between FY18 through FY21 combined.

SBS's DEFO unit helps the City's M/WBES or Minority and Women-owned Business Enterprises, connect to government contracting opportunities. In total, City agencies and authorities awarded 6.5 billion dollars in contracts for M/WBES under the OneNYC program in FY22, a more than 55 percent increase from FY21. In addition, over 1,600 individual M/WBES were awarded a City contract last year under the City's formal Local Law 1 program, up 13 percent from Fiscal Year '21. This reflects nearly 1.4 billion dollars in contracts to those M/WBES, a record high for the program.

In FY23, SBS hosted the first in-person Citywide procurement fair since the pandemic with over 700 businesses in attendance, marking the 30th anniversary of the City's program. One of the business owners in attendance, Jade Singleton, a black woman entrepreneur from Brooklyn worked with our team to get her business certified. Because of the connections she made at the fair, she not only

secured her first City contract with the Department of Housing Preservation and Development but landed her second contract soon thereafter.

This was also the year the City surpassed our OneNYC commitment to award 25 billion dollars in contracts to M/WBEs by FY25, three years ahead of schedule. Mayor Adams recently announced a new goal to double the City's current rate of contracting with M/WBEs. We are already hitting the ground running with the Mayor's appointment of the first-ever Chief Business Diversity Officer, Michael Garner, an expert M/WBE strategist and leader.

Working with our partners in Albany and in the Mayor's Office of Contract Services, we are proud to have increased the threshold limit on City contracts for certified M/WBEs from 500,000 to 1 million. This will allow M/WBEs to compete rigorously for larger contracts. But this Administration's commitment to equity and partnership with the State doesn't stop there. Governor Hochul's FY24 Executive Budget recognized important steps towards achieving reciprocity between our respective certification

processes that will make it easier for businesses to contract with both the City and the State.

SBS's WDD division works daily to connect New Yorkers to new employment and job training opportunities through our 18 Workforce Career Centers. In FY22, we connected New Yorkers to 25,000 jobs with an average wage of 18 dollars per hour. Already in FY23, we have served 57,000 New Yorkers with resume help, honing interview skills, and job searches, putting them on track to reach our annual goal of 25,000 job connections once again.

Additionally, many of our job training programs returned to in-person service in 2022, including NCLEX-RN, our eight-month-long program which prepares internationally trained nurses to pass their U.S. licensing exam. In January, I attended the graduation of Lehman College's first cohort of NCLEX-RN, which Mayor Adams expanded at the start of this Administration. There, I met Claudia Hurtado, a registered nurse and mother of four from Venezuela. Claudia did not pass the State's licensing test when she studied on her own. However, with our help, Claudia passed the State exam in January, received

a job offer from Bellevue Hospital right here in the city, and will start work in April.

Our NDD division oversees and guides our network of 76 BIDs. In FY23, NDD deployed several new grant programs, including awards of nearly 5.3 million dollars to support the formation of new BIDs and strengthen the operations of our smaller BIDs, and 2 million dollars to lift up merchants' associations as well. We also awarded 3.8 million dollars to 24 community-based development organizations working in low-to-moderate income neighborhoods through our longstanding programs, Avenue NYC and Neighborhood 360. Groups such as the Morris Park BID in Council Member Velazquez's district and the Gateway JFK BID in Majority Whip Brooks-Powers's district are some of the many organizations that have taken advantage of these brand-new programs to expand efforts to attract new businesses, and clean and beautify the corridors. Thank you, Chair Menin, for your continued support of all of our BIDs.

From Day One of this Administration, Mayor Adams has been clear that the cannabis industry holds great promise for equity and economic growth.

This past August, SBS successfully launched our Cannabis NYC initiative, which offers technical assistance, education, and support to budding entrepreneurs. Most recently, in partnership with the NYCHA, MOE, and the Sheriff's Office, we kicked off our Lift Off! Cannabis NYC Listening & Learning Tour, an ambitious series of community education events.

 Last, but certainly not least, we successfully rolled out the NYC Small Business Opportunity Fund. The fund, made possible by a historic public-private partnership between the City, Goldman Sachs, Mastercard Center for Inclusive Growth, and eight community development financial institutions or CDFIs, is the single largest public-private effort by the City in its history to support small businesses. The Opportunity Fund offers loans with a market-leading interest rate of four percent and no minimum credit score for eligibility. The response to this program was strong, with over 10,000 small businesses submitting pre-applications over a three-week period. This response was bolstered by SBS' proactive outreach strategy and historic

partnership with multiple CDFIs. We deployed dozens of staff and volunteers, going door-to-door to over 500 businesses, including more than 120 in the Bronx on launch day. We also engaged approximately 350 community organizations and business associations to help spread the word in 21 languages.

In closing, SBS is dedicated to fulfilling Mayor Adams' clear and bold economic agenda built on equity and inclusivity. Our work with the Council has played a critical part in our accomplishments this past year. I look forward to our continued partnership and welcome any questions you may have for me or my team at this time. Thank you very much.

CHAIRPERSON MENIN: Great. Thank you very much, Commissioner, for your testimony. I have quite a few questions.

I'm going to start with the headcount because in your testimony you say at the top that in terms of the headcount that you're 11 higher than at the start of the administration, but that's not what we're showing. We're showing a decrease of 20 positions for SBS reflected in the Fiscal 2024 prelim

when compared to the Fiscal 2023 adopted budget so can you explain that discrepancy?

COMMISSIONER KIM: Absolutely. I think the comment that I made was comparing the headcount currently to the headcount at the beginning of this administration on January 1, 2022, and when you look at that, we have a headcount of 317 currently and as of December 31, 2021, prior to the administration start, the headcount was 306. The reason why you see the reduction in numbers compared to the previous year is that there were numbers added during the Blueprint initiative budget portion and then some of it was taken back, but at the end of the day our headcount is higher today by 11 compared to when the administration began in 2022.

CHAIRPERSON MENIN: Okay, but it's still accurate to say it was a decrease of 20 positions reflected as I mentioned before. Look, our goal is to make sure that you have the headcount that you need. I mean that's really where we're driving at this line of questioning so any kind of decrease in headcount given the importance of small businesses and the important work that we know needs to go to help our small businesses is of concern to us.

COMMISSIONER KIM: The number that we reflect today, the budget, and the headcounts that we have are sufficient to continue doing the great work that the mission of SBS is to serve the jobseekers, the small businesses, and the neighborhoods. I believe that when you look at the data of what we've done in the past year, we have increased services dramatically, the reorganization of our agency to create a dedicated outreach team has had a meaningful impact, and so we look forward to continuing the great work that we've been doing in the past year.

CHAIRPERSON MENIN: What positions does the agency currently have open and actively hiring for?

COMMISSIONER KIM: We have a number of positions that are open, but the real positive trend is that since October of 2022 we've filled 37 positions and even more so since mid-January, we've had another 16 hires put into various positions and so the trend is really positive. We've also increased the capacity of our HR team. We are aggressively recruiting. We hired two staff members from the CUNY Civil Service program. We also are looking very closely at the Silver Star program that the

Department of Aging is promoting, the 55-A program, so we're very optimistic about where we're trending at this time.

CHAIRPERSON MENIN: Maybe I missed it, but how many are currently open and that you're actively hiring for?

COMMISSIONER KIM: I'll get you the exact number. It's approximately 67, but we'll get you the exact number.

CHAIRPERSON MENIN: 67?

COMMISSIONER KIM: Yes.

CHAIRPERSON MENIN: And of these 67 positions, are they client-facing positions, like what types of positions are they?

COMMISSIONER KIM: Most of our services at SBS are not client-facing. We hire vendors and we manage vendors to do the work. We have, for example, the seven Business Solution Centers, we have the 18 Workforce1 Centers, but the teams that are client-facing are in positions that are not vacant at this time, but let me get you the exact...

CHAIRPERSON MENIN: Okay, because given the size of the agency, 67 is a lot so that is of concern to me so, please, we do want to get an update

on that and where you are with the hiring and which positions these 67 comprise.

COMMISSIONER KIM: Yeah. As I mentioned, I think the vacancy and labor shortage issue is a national issue. I think whether you're in the private or public sector, everyone's facing this, but at SBS we're fortunate to have the headcount and the budget to be able to continue to do the work, and I think it's not just me saying this but it's proven in the data of the number of businesses we've been able to serve in this past year alone. I think the ramp-up in hiring has been reflected just since January of this year, as I mentioned we've had 16 new hires, and we continue to have offers and a very robust interview pool at this time.

CHAIRPERSON MENIN: Okay. I want to switch gears and talk a little bit about federal funding. Federal funding through pandemic stimulus funding comprises a significant portion of SBS budget in previous Fiscal Years, but now in the Fiscal Year '24 prelim, 75 percent of SBS funding comes from city dollars so what programs have been impacted by the reduction in federal funding?

COMMISSIONER KIM: I think the way to look at the numbers that you're referencing, you have to first understand that 61 million dollars is pass-through money, EDC, NYC and Co., and Governors Island so it's not SBS. There's 27 million dollars in Council discretionary funds that are part of the numbers that people are looking at when they say there seems to be a reduction in the budget, and there is also expiring federal dollars which were one-time recovery programs, that's about 11 million dollars, and then there's 9 million dollars of strategic one-time investments that were made on the Business Portal, for example, that will pay dividends for years to come and so when you look at the numbers that you're talking about, we took certain programs like the Commercial Lease Assistance Program that we know was highly effective that had the support of federal dollars and now we've baselined it for the same amount in the CTL for the coming year.

CHAIRPERSON MENIN: How will the City make up for the reduction in federal funding and also is there any headcount being impacted by the reduction in federal funds?

COMMISSIONER KIM: We're continuing our conversation with OMB and City Hall and this is the preliminary budget hearing and this is the first step in a long process, but we don't feel that, the federal programs that were supported, they were for recovery efforts, and the investments we've made, they've resulted in new businesses being launched. One out of every nine businesses that currently exists today since the Adams' administration began in January 2022, and I think it's a sign showing how much the one-time recovery effort dollars were needed so in terms of the actual programming going forward we have a robust plan to continue to help businesses thrive.

CHAIRPERSON MENIN: In terms of headcount impact?

COMMISSIONER KIM: There is no impact to headcount.

CHAIRPERSON MENIN: Okay. There's a reduction of approximately 139 million between preliminary Fiscal 2024 plan and Fiscal 2023 adopted budget. This 139-million-dollar decrease is inclusive of 61 million of pass-through funding for EDC, NYC, Governors Island as you spoke about, and 27.2 million

for City Council discretionary initiatives. The remaining 50.9 million is allocated to SBS programs so I've got a series of questions based on the latter two pots of funding. 40 Open Streets, the Fiscal 2023 executive plan included 1.6 million in Fiscal 2023 for the Open Streets program, which as you know transformed streets into public space open to all. Since this funding is not in the Fiscal 2024 preliminary plan, is the administration inferring that this initiative is no longer effective?

COMMISSIONER KIM: The Open Streets program was incredibly effective, and we know, for example, the importance of supporting small businesses in all of our commercial corridors. The Mayor had made a recent announcement of an investment of 375 million dollars in the public real plaza areas, and DOT is responsible for the Open Streets program. I was privileged to be up in Washington Heights at Quisqueya Plaza with the Mayor and Commissioner Rodriguez when they made permanent the first Open Street program that had been launched during the pandemic and talked about the 7 million dollars of funding that was going into that Plaza along as part of that 375-million-dollar investment.

At Small Business Services, we are here and ready and have always supported all of our businesses in working in the spaces that they find to promote their businesses, and so working together with DOT closely, we have been supporting all of those businesses in the Open Streets program.

CHAIRPERSON MENIN: So DOT then will be taking control of that pot of funding? Is that correct?

COMMISSIONER KIM: DOT is responsible for the Open Streets program, and we've been supporting it, and there were one-time efforts that were needed during the pandemic, but at this time the 375-million-dollar investment in the public realm plaza I think is a strong sign of firm commitment by the administration to programs like the Open Streets.

CHAIRPERSON MENIN: Okay. In terms of job training and partnership, the Fiscal 2023 executive plan included 6.5 million in Fiscal 2023, 1.3 million in the out-years to expand the City's investment in bridge-training programs. What training programs did SBS create with that funding?

COMMISSIONER KIM: In a broad stroke, we're continuing our conversations with OMB on all

the training programs, but there was, during the pandemic, pandemic-related emergency training programs that had been set up which are no longer as necessary in terms of, for example, Vaccine for All Workers, so in terms of the overall training programs, we're continuing our conversation with OMB at this time.

CHAIRPERSON MENIN: A couple questions on that. Why was the funding not included in the Fiscal 2024 prelim plan when clearly New York City workers continue to need this, I understand it's not on the vaccine side, but they continue to need real support?

COMMISSIONER KIM: We're still talking to OMB so nothing has been finalized.

CHAIRPERSON MENIN: Okay.

COMMISSIONER KIM: This is the first step in the series of steps, multi steps that we need to get to that final point.

CHAIRPERSON MENIN: Okay. We definitely urge continuation of that funding because we think it's very important. Moving to the Small Business Portal, as you know the Council passed my bill and the Mayor signed to create this one-stop-shop portal so I wanted to get a sense of an update on that. The

legislation stated that by November of 2023 the portal would be operational for the general public. Is that target date still on track?

COMMISSIONER KIM: Yes, we are currently on track. I think the first I think intermediary target date of the summer, there are streamlining of the process, also improvement of the user experience. That intermediary target is on track.

CHAIRPERSON MENIN: How many businesses do you anticipate would participate in the Portal on a yearly basis?

COMMISSIONER KIM: I don't have that exact number, but my guess is that if you have a Portal that we're designing that will streamline and make the life of a small business easier that almost anybody who knows about the Portal will end up using it, and I think that's one of the reasons why in our administration and in our agency since I've taken over that outreach efforts in-language, deep in the communities has been so important because we want everybody to be able to take advantage of a Portal like this.

CHAIRPERSON MENIN: Yeah, and I do want to recommend you beta test it. I don't know if you've

2 incorporated that into the summer plans but just to
3 work out the kinks so we don't have issues...

4 COMMISSIONER KIM: Thank you. We will be
5 beta testing.

6 CHAIRPERSON MENIN: Okay. Excellent. Last
7 question on that, is there still funding in the out-
8 years for the Portal's operations?

9 COMMISSIONER KIM: I think we're in
10 discussions with OMB on that. The one-time
11 investment, large, significant investment is being
12 utilized currently to stay on track to get the Portal
13 up and running by November 20, 2023.

14 CHAIRPERSON MENIN: Okay. Moving on to
15 cannabis. In the fall of 2022, as you mentioned, SBS
16 launched Cannabis NYC and hired a founding director
17 to support the development of a thriving and
18 equitable cannabis industry. What is the budget
19 amount for this initiative in the prelim budget?

20 COMMISSIONER KIM: Your question is in '24
21 or '23? Oh, prelim, moving forward?

22 CHAIRPERSON MENIN: Right.

23 COMMISSIONER KIM: We're continuing to
24 talk with OMB on that. We made an initial upfront
25 investment last year as you know. In August of this

past year, we were able to launch Cannabis NYC, hired a fantastic leader, someone who's highly recognized in the industry, someone with government experience that led the Portland city efforts in terms of regulating the industry, Dasheeda Dawson, who has come on board. We're really excited about the Lift Off Cannabis launch programs that I mentioned, working with our community partners, in particular with NYCHA and other community partners where we have seen communities that were most harmed by the prohibition on drugs and so March 25th, we just want to also promote that event out in Brownsville if people can come, and, Council Members, you're all welcome to come, so we're really excited about where Cannabis NYC is heading and ensuring that all New Yorkers, especially those most harmed by the prohibition on cannabis, can take advantage of the burgeoning opportunities in this industry. It's estimated to be 1.2, 1.3 billion dollars next year alone.

CHAIRPERSON MENIN: How many individuals have been hired to support Cannabis NYC?

COMMISSIONER KIM: Currently, part of what we did to reorganize the agency and create a

dedicated outreach team that has 10 dedicated staff members is to support all of our programming. For Cannabis NYC, just to be clear, the State licenses cannabis licenses. At the City level, we are here to educate, do outreach, make sure that all New Yorkers know about this opportunity so the way we look at Cannabis NYC and all of our programming in effect is that we have Dasheeda Dawson, we have someone who is very senior (INAUDIBLE) as well advising her and then we have our outreach team currently helping to do all the events for Lift Off, launching the Cannabis NYC programming, and already we've held one up in the Bronx, we've held one up in Upper Manhattan, and again on March 25th we're doing Brownsville. They're planning 40 events across the five boroughs to make sure that every community has access to the information needed to participate in this industry.

CHAIRPERSON MENIN: Across the five boroughs, as you know, smoke shops and convenience stops are carrying illegal cannabis products that are being marketed to youth with cartoon characters and names, and some of them look like candy stores so, as you know, we had a hearing on that. What is SBS, in particular, doing on this issue?

COMMISSIONER KIM: Cannabis NYC, as I mentioned, is really focused on educating and outreaching to everyone in New York to understand the entire industry, and that includes encouraging people outside the regulated industry to come into the regulated industry so the strategy of facilitating, rehabilitating, and enforcement is the way SBS is encouraging everyone to look at this issue. We believe that if people knew better the benefits of being in a regulated industry that they would choose to do so. The enforcement piece of it, we are focused primarily on supporting what we call the businesses that involved in the three Es of illegal selling of cigarettes, the illegal selling of vaping items and cannabis, and also selling products that have confusion in branding to market towards children so when you find businesses that are involved in those three areas, that's where the priority in enforcement is currently.

CHAIRPERSON MENIN: At the Council hearing we held on this topic, I mentioned that when I served as DCWP Commissioner we were dealing with the issue K2 synthetic marijuana. At the time, we launched a million-dollar public awareness campaign to educate

parents and children that these products were adulterated, they did not contain marijuana, they contained harmful chemicals. We're dealing with a similar situation here. At that hearing, I urged DCWP to launch a similar type of awareness campaign, bus ads, subway ads, just as we did on K2 synthetic marijuana where we largely eradicated that problem. Will SBS commit to working on some type of public awareness campaign because, again, I really think it is imperative. We're hearing from so many parents who are deeply concerned about the proliferation of these stores and the marketing of these products to young people.

COMMISSIONER KIM: We're working very closely with the Office of Cannabis Management which is the State office responsible for overseeing this industry. We've been working very closely with them from day one on public education, on public outreach to inform all communities about not just the business side of the things but on the health side of things as well. I think that's why it's important that we have launched this Lift Off Campaign where we are planning to be in 40 different neighborhoods in all five boroughs in a short period of time and that

we've already had large audiences appear for the initial launch in the Bronx that I was at and then in Upper Manhattan and, again, on March 25th as well. We also are working on a poison control partnership program with ACS, and we have been committing 1 million dollars for marketing and outreach. That includes the public safety and health aspects that you...

CHAIRPERSON MENIN: Where is that campaign going to be in terms of public outreach?

COMMISSIONER KIM: The campaign meaning?

CHAIRPERSON MENIN: The one you just mentioned.

COMMISSIONER KIM: The ACS one?

CHAIRPERSON MENIN: Yeah.

COMMISSIONER KIM: They come to the Lift Off when we do the launches in the communities.

CHAIRPERSON MENIN: Okay.

COMMISSIONER KIM: They're part of it to help educate.

CHAIRPERSON MENIN: Okay. If we can get details of that, that would be great, any details that you can send over to the Committee.

All right, I want to move to M/WBEs because I am very concerned that during the pandemic M/WBE contracts awarded from SBS were largely nonexistent so SBS at the time during the pandemic didn't give any COVID-related contracts to M/WBEs. How has SBS performed in Fiscal Year '23 with contracting goals? If you could just talk a little bit about that?

COMMISSIONER KIM: I think it was in my testimony that we were actually up in the number of M/WBEs that received contracts by 13 percent. As an agency, I know that we give over 90 percent of our awards to M/WBEs, probably the largest percentage out of the all agencies in the city, and I'll turn it over to our Executive Deputy Commissioner Gross to elaborate a little bit more, please.

EXECUTIVE DEPUTY COMMISSIONER GROSS: That's correct, Chair Menin. I think you're referring to some past reporting perhaps from last Fiscal Year on emergency contracting. SBS had a very small portion of emergency contracts, but for our general contracting for professional services, standard services, for goods, we continue to maintain one of

the highest M/WBE utilization rates in the city,
currently over 90 percent.

CHAIRPERSON MENIN: Okay, before I go
further, I just want to also recognize we've been
joined by Majority Whip Selvena Brooks-Powers.
Continuing on this questioning on M/WBEs. As you
know, last week the Office of the Comptroller
released a report finding that 5.2 percent of nearly
45 billion in contracts and purchase orders went to
M/WBEs, less than 2 percent went to black-owned
businesses. What is SBS doing to ensure that M/WBEs
are able to participate and succeed in getting city
contracts?

COMMISSIONER KIM: First of all, thank you
for your support of M/WBEs as well. That is one of
our top priorities. I think with the hiring of the
Chief Business Diversity Officer, the first ever in
the city, Michael Gardner, someone who brings
expertise from his experience with SCA, School
Construction Authority, and MTA, we're already
hitting the ground running, organizing, strategizing
on how to always improve these numbers, but I do want
to also share how the successes of the M/WBE outreach
and technical assistance program that we've had at

SBS. Over the past few years, we were able to get the numbers to the point where we reached our OneNYC goal three years ahead of schedule, and that's allow Mayor Adams to be even more aggressive about setting forth future goals. We have also helped raise the discretionary thresholds from 500,000 to 1 million which I think will immediately impact the number of the smaller M/WBEs who can participate in this and really benefit from this program. Finally, as I mentioned, we're working very closely with the State to achieve reciprocity in the types of certification programs that we both have. There's no need to have small businesses jump through multiple hurdles to be able to contract with both City and State so we're working very closely with them on that effort as well.

CHAIRPERSON MENIN: Yeah. Let me just say first all I think it is incredibly important that the Mayor lifted that threshold to a million dollars because that will obviously result in a much larger amount of contracts going to M/WBEs so I think that was very important.

What is SBS doing in terms of partnering with the Chambers of Commerce, with BIDs because one

of the problems obviously is we need to get more firms into this M/WBE pipeline so what's the public outreach that the agency is doing in that regard?

COMMISSIONER KIM: The Chambers of Commerce and not just the borough Chambers of Commerce have been very close allies. We've worked with multiple Chambers of Commerce to make sure that they all know, are aware of our M/WBE program. I think this kind of goes back to one of the things I was talking about, about the realignment of our agency to create a dedicated outreach unit. Whenever we have the outreach unit go out, it's not just talking about programs like the Opportunity Loan Fund or just talking about our Commercial Lease Assistance. They are talking about M/WBE certification, they are talking about connecting M/WBEs to future government contracting so we know that this has really had an impact in the number of M/WBEs that have been certified which has increased, and we know that the dollar amounts of the M/WBE awards, hitting 1.4 billion dollars was a record high so all of the efforts that we are working on now will pay even more dividends as we go forward.

CHAIRPERSON MENIN: Okay. Moving to
(INAUDIBLE) you talked a little bit about in your
testimony Building Improvement Districts so, as you
know, at my urging to the administration in early
2022 for the first time ever, the executive plan
included 5.7 million in Fiscal 2023 and 400,000 in
the out-years to incentivize both the creation of
BIDs but also to make sure that for the first time
ever some of our smaller BIDs would receive city
funding, which they could use to help to market and
promote small businesses. I just want to get, first
of all, an update on how much of that funding has
been disbursed.

COMMISSIONER KIM: Thank you, first of
all, Chair Menin, for your continued support of BIDs.
We have 400,000 in PS allocated, we have 5.3 million
dollars in OTPS. Of that, we have allocated 800,000
dollars to the new BIDs and 4.4 million dollars
approximately to the small BIDs. The awards have been
designated. I don't know if the actual funds have
been distributed as of today, but we're very well on
the process of doing so, but the process has already
advanced very far along.

CHAIRPERSON MENIN: What are the agency's plans in the out-years since the funding was reduced to a much smaller amount in the out-years? What are the agency's plans then in those years?

COMMISSIONER KIM: We're continuing to talk to OMB and in coordination with City Hall. We're going to assess the impact of these funds currently and continue to have these discussions.

CHAIRPERSON MENIN: Okay. I want to move on before, and then I'm going to turn it over to my Colleague to see if she has any questions, the vacancies. I have more questions, but I just want to make sure to do that. Retail vacancies. I'm incredibly concerned that no matter what neighborhood you go to in the city we see astronomical retail vacancies. Can you give us an overall update on the retail vacancy rate and what specifically is the agency doing to address that? Before you answer that, let me just mention we've been joined by Council Member Marjorie Velazquez as well.

COMMISSIONER KIM: We are very much focused on ensuring that the commercial corridors are thriving, and part of it is the vacancy rate as you mentioned. We know that all of the administration's

efforts and the Mayor's Blueprint for Economic Recovery has had an impact. We know that, as I mentioned in my testimony, 13,600 new businesses began just in the first six months of this administration. The message that the Mayor has made loud and clear about New York City being the City of Yes starting with the premise that we welcome every business here to launch and open up. The easing of regulatory burden on Executive Order 2, thanks to your partnership again, that we're looking to be able to save millions of dollars for New York City businesses on annual basis this year and including years going forward. All of those programmings, I think, will result in more and more businesses being opened. Again, it's not just my word for it, but one out of every nine businesses that are currently open opened since the start of this administration and I think the message is getting through. We're also working with Live XYZ which is a program that is designed to get a better count of what exactly the landscape looks like in terms of retail vacancies and, using that data, I think we'll be able to baseline more of our future programming and strategy for filling all the stores.

CHAIRPERSON MENIN: What does the agency show as the overall retail vacancy rate citywide and then borough-wide?

COMMISSIONER KIM: We don't have an exact number currently. I think that number is very difficult to find, but that's why we've engaged Live XYZ for the first time ever on a contract to be able to give us a better idea of what that looks like. We hear anecdotally about the vacancies but, at the same time, Chair Menin, as you and I have done walking the Upper East Side, one of the best parts of my role is to be able to walk all the commercial corridors in the five boroughs, and, having done that, I've seen so many of the businesses actually having opened during the pandemic and you often wonder who does that, but if you recognize that half of small businesses are immigrant-owned small businesses and so many of them had no other choice but to open, I think you also see anecdotally a lot of the success stories of businesses that opened during the pandemic and are continuing to grow now, filling the vacancies that were there before.

CHAIRPERSON MENIN: In terms of that new contract because I did see that tech platform, I saw

a demonstration of the software they have, which I think would be incredibly valuable for the public to see. Is it SBS' plan then to post that in real-time online so people can actually see in real-time what the vacancies are by neighborhood, by borough?

COMMISSIONER KIM: I know that the strategy of utilizing Live XYZ and the rollout is still being discussed, but, when we have an answer, we'll definitely...

CHAIRPERSON MENIN: Great. Would really urge the agency to make it public and not just use it for internal data because, again, I think it's incredibly valuable and important information.

I also want to mention we've been joined by Council Member Mealy. Now, I'll turn it over to Majority Whip Selvena Brooks-Powers for questions.

MAJORITY WHIP BROOKS-POWERS: Thank you, Madam Chair, and thank you, Commissioner, for your testimony today. I also want to be record thanking you for all of the help that you have provided to the 31st Council District since being appointed as Commissioner in light of the many pandemics that my community was going through with COVID-19, with a lot of construction that's happening.

I want to spend a little bit of time on M/WBEs. That's an area that I'm especially passionate about and especially in light of the Comptroller's recent report that showed the City has been doing an awfully poor job in utilizing our M/WBEs. I think that there is a lot of work that we need to do around supporting our M/WBEs. I'm interested in understanding through this budget how SBS will be prioritizing their support and resources needed and necessary for us to one, support M/WBEs and, two, how do we scale them up also because what I find is that once they get a contract it then becomes a major lift to get to that next level, that breakthrough, and so I'm especially interested in the work that your agency is doing and will be doing and how you're prioritizing that in this budget?

COMMISSIONER KIM: Thank you, Majority Whip Brooks-Powers, for your question and also for your support of M/WBEs and small businesses. I know what we've had a chance to walk the District as well and had meetings in your office and your support is M/WBEs is unwavering so thank you for that.

I would say, and I don't know if you had a chance to hear my earlier testimony, but we are

very excited about M/WBE strategy going forward, the City having hired the first Chief Business Diversity Office, Michael Garner, who brings a wealth of experience here. At SBS, we also not just certify the companies but we do make sure that we provide the opportunities for them to connect and so last year we had a 13 percent increase in the M/WBEs who were awarded contracts. At the same time, the total amount of award dollars, that 1.4 billion dollars, was a record high ever in the City's history. We also put together a major procurement fair in September at Barkley Center where we had 700 businesses attend, and in my testimony I singled out a woman named Jade Singleton who came to that fair, got certified, got a contract with HPD and then we followed up with her to make sure that she could get her second contract as well soon thereafter so the efforts that we've been doing are having an impact, and the concerns that you have about not just somebody getting certified but actually contracts and then getting a second contract is something that's very much at the top of our priority list as well.

MAJORITY WHIP BROOKS-POWERS: Also, at the urging of the City Council, the administration

included 75,000 dollars in Fiscal 2023 at adoption to establish a grant program for M/WBEs to assist them to compete in their industry. As it stands now, the funds have yet to be disbursed, and the agency is still currently determining the best process to utilize the funding. What is the SBS doing to ensure these funds are disbursed.

COMMISSIONER KIM: Thank you for that question. We, first of all, appreciate that funding source. It required independent rule-making and instead of going through that elaborate process, we have been analyzing and looking for the best path forward in utilizing that fund to benefit M/WBEs in this Fiscal Year so we are actively looking at, we continue to have a number of possibilities, but we'll definitely give you an update as soon as we come to a decision.

MAJORITY WHIP BROOKS-POWERS: Is funding for this program included in the Fiscal 2024 preliminary budget?

COMMISSIONER KIM: That's discretionary so I think it's more up to you as Council. The 75,000?

MAJORITY WHIP BROOKS-POWERS: Excuse me. I moved to my next question. Sorry. The Small

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2 Businesses Residents Fund, is that funding for this
3 program particularly included in the 2024 preliminary
4 budget? It's my understanding that it's an
5 administration funding, not Council.

6 COMMISSIONER KIM: The 75,000? I think it
7 came from the Speaker's Office is our understanding.

8 MAJORITY WHIP BROOKS-POWERS: It's my
9 understanding that it's administration funding so if
10 you can let us know.

11 COMMISSIONER KIM: We'll check and get
12 back to you.

13 MAJORITY WHIP BROOKS-POWERS: Okay.

14 COMMISSIONER KIM: Yes, thank you.

15 MAJORITY WHIP BROOKS-POWERS: Thank you.

16 CHAIRPERSON MENIN: Okay, thank you very
17 much. I'm now going to call on Council Member Mealy
18 for questions.

19 COUNCIL MEMBER MEALY: Hi. How are you?

20 COMMISSIONER KIM: Hi.

21 COUNCIL MEMBER MEALY: For the Small
22 Business Improvement District, is there the 400,000
23 for staff for this program, and have the staff been
24 hired to help the administrators for this program?

25

2 COMMISSIONER KIM: There is 400,000
3 dollars in PS money, and we I believe have filled our
4 NDD positions at this point. Let me get you the exact
5 numbers, but, as I was saying before, we've had a
6 very brisk hiring rate since mid-January in
7 particular where we've had 16 hires and offers go
8 out, and we have a number of more offers going out in
9 the next week or two and they cut across all the
10 agency divisions including NDD which manages the
11 BIDs.

12 COUNCIL MEMBER MEALY: Okay. It seems like
13 there is always a delay in registering these
14 contracts. Do you know what is causing this, for the
15 delays getting the contract registered?

16 COMMISSIONER KIM: I will have to get back
17 to you on that, Council Member.

18 COUNCIL MEMBER MEALY: What is the status
19 of the citywide services for small BIDs?

20 COMMISSIONER KIM: We have contracted to
21 get the smallest of the BIDs back office support and
22 so we're working with the citywide vendors to be able
23 to provide that back office support that is so
24 necessary for these BIDs.

2 COUNCIL MEMBER MEALY: One thing I wanted
3 to, because I have a couple of problems with the BIDs
4 in my District, what is the procedure for if you give
5 the BIDs resources and you don't know what they're
6 doing with the resources, no improvement, so who is
7 checking this data?

8 COMMISSIONER KIM: Every BID has its own
9 Board, and SBS has a seat on the Board, I know you as
10 the Council Member has a seat on the Board, so we
11 encourage all the Boards to actively practice good
12 governance and Board practices to make sure that the
13 BID does what it's supposed to do, but if there are
14 any particular issues that you have mind we'd love to
15 discuss with you.

16 COUNCIL MEMBER MEALY: Thank you. I'll
17 leave it at that. We could discuss at a later date.

18 COMMISSIONER KIM: Thank you, Council
19 Member.

20 COUNCIL MEMBER MEALY: Like the 23rd.

21 COMMISSIONER KIM: Yes.

22 CHAIRPERSON MENIN: Thank you, Council
23 Member Mealy. We'll turn it back to Majority Leader
24 Brooks-Powers for more questions.

MAJORITY LEADER BROOKS-POWERS: Thank you. Just had a few more questions. In terms of the Building Improvement District support information, you know you and I talk often about the BIDs, and so I wanted to know there is 400,000 dollars for staff for this program. Have staff been hired to help administer this program yet?

COMMISSIONER KIM: I would say some. I can get you the exact numbers, but, as I mentioned, we are on a very positive trend and hiring very rapidly and, since January, we have 16 hires and a number of offers are going out in the next couple weeks including in NDD so I know that we've hired some, but I'll get you the exact numbers.

MAJORITY LEADER BROOKS-POWERS: It seems like there's a delay in registering the contracts so what would be the cause from your viewpoint in terms of the delay?

COMMISSIONER KIM: That's something I'll need to get back to you on. I think Council Member Mealy had asked a similar question, and so we'd love to get both of you the answer.

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2 MAJORITY LEADER BROOKS-POWERS: Okay. In
3 terms of the contract budget, what percentage of the
4 agency's total budget is the contract budget?

5 FIRST DEPUTY COMMISSIONER MALLON: Just
6 trying to get clarity on what you mean, how much is...

7 MAJORITY LEADER BROOKS-POWERS: For the
8 contract budget...

9 FIRST DEPUTY COMMISSIONER MALLON: Of our
10 operating budget is contracted out to vendors? Is
11 that what you mean?

12 MAJORITY LEADER BROOKS-POWERS: Yes.

13 FIRST DEPUTY COMMISSIONER MALLON: I think
14 we'd have to come back to you on that to get you a
15 precise number.

16 MAJORITY LEADER BROOKS-POWERS: Okay, and
17 when you're coming back, can you also provide a
18 borough-wide breakdown of the number of contracts to
19 small businesses, M/WBEs, and individuals? I'm
20 particularly interested in looking at diversity
21 within diversity so black and brown businesses in
22 particular, what the breakdown would look like in
23 terms of the contract as well.

24 FIRST DEPUTY COMMISSIONER MALLON:
25 Terrific. Okay.

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2 MAJORITY LEADER BROOKS-POWERS: Thank you.
3 I yield the rest of my time.

4 CHAIRPERSON MENIN: Thank you very much.
5 Now, I'm going to call on Council Member Mealy for
6 some questions.

7 COUNCIL MEMBER MEALY: It's quick. Does
8 SBS track storefront openings and closings, and is
9 there a database in regards to that? That's so
10 important because I know the pandemic happened but
11 some of them were still floating, but how is Small
12 Business Services really helping those small mom-and-
13 pop stores?

14 COMMISSIONER KIM: We know how many
15 businesses opened. EDC issues reports on that so, as
16 I had mentioned, one out of every nine businesses in
17 existence currently started since Mayor Adams'
18 administration began on January 1, 2022.
19 Unfortunately, at this time it's a little bit more
20 difficult to break it out into how many of those
21 businesses are actually retail storefront businesses,
22 but that's why the administration for the first time
23 ever has engaged a technology firm called Live XYZ
24 that has a platform to help us better understand the
25 landscape of empty retail stores, and I think the

dashboard that's going to be used by all the city agencies and shared with BIDs as well and we're looking into the public, that will give everybody a better baseline of what and where these retail stores might be vacant and what we at SBS and the rest of the sister agencies in the City what we could do to help alleviate that issue.

COUNCIL MEMBER MEALY: So you're saying Small Business Services have vacancy data for each corridor in every neighborhood?

COMMISSIONER KIM: Not yet, but that's what we are almost getting to that point with the use of Live XYZ is that they will, using technology and people on the ground, go through the commercial corridors and identify where empty storefronts are and then we'll have that data for you, but currently we just know about businesses opening in general and that's more because they filed certificates of incorporation with the State and other ways that they start a business.

COUNCIL MEMBER MEALY: Okay. Is there any tangible organization or department that can give you a list of vacancies in the area. To me, if we help other small businesses that are just struggling and

another store that is struggling, could they come together and separate a big building and they rent it out to help each other stay in business. I have done that before, and I was wondering has the City ever thought about doing that. We need small businesses, but sometimes they need a hand up or a leg up, but if we can have a list that if somebody comes to me right now and says I'm about to lose my business, is there a list that I could say somebody else is about to lose their business, can we partner them together? If it's a clothing, you sell t-shirts, and this one sells hats. Y'all could be in the same building as long as y'all are adult enough to pay the rent properly. Has the City ever thought of that in your department?

COMMISSIONER KIM: Thank you for that suggestion. I think that's a great suggestion to consider and look into more closely. I think in terms of your question about is there any organization that looks at the vacancy or knows what vacancies are available, the BIDs do, for example, and so we're lucky that, well, the 76 BIDs in our city are the most robust BID network in the country, maybe in the world, the way it's formed, and we know that they

keep very close tracks on the businesses in their district. The merchant associations are making an effort to do that as well, other community-based organizations, but at the end of the day we understand that the BIDs, the merchant associations, they're not in every corner of the city and, in particular, LMI communities that don't have the resources to form those kinds of groups so that's why the City has decided to use and invest in a platform like Live XYZ to ensure that we get a better sense and better count of retail vacancies so that we can help formulate better strategies, and the suggestion you made could very well be one of those strategies.

COUNCIL MEMBER MEALY: Looking forward.

One other question, it's going to touch on some stuff, I had a BID, and they used to do the Christmas lights, beautiful, one of their members, the treasurer, moved out of the country so it left them kind of open, and now it seems like since they didn't pay that bill, they can no longer ever get Christmas lights because there's only one organization that does the beautification of the lights like on every thoroughfare, Macy's (INAUDIBLE) Street, everywhere. How can we help those organizations reconnect or are

there extra grants they can do and training to get reconnected for beautifying their neighborhood because those Christmas lights are a helpful deterrent for robberies, it's lit up, so I think that's something major we should really start doing with every BID?

COMMISSIONER KIM: Thank you for that suggestion. Holiday lighting is very popular and, as you said, also has many other benefits including promoting public safety. I know that DOT kind of is overseeing the lighting aspect of it, but at the same time I was just on a panel with the (INAUDIBLE) Fellows, and there was a presentation on how lighting is being used around the world in all the different cities, even in L.A., I think in West Hollywood on Santa Monica Boulevard, they were utilizing lights to attract tourists to the commercial corridors kind of like the Empire State Building changing up the light colors and whatnot and then in other countries around the world they do more dramatic efforts, and so we are looking at lighting as something that is not just decorative and not just for public safety but something that will attract tourists to commercial

2 corridors, and I know NDD, in particular, is taking a
3 very close look at that right now.

4 COUNCIL MEMBER MEALY: Thank you, Madam
5 Chair.

6 CHAIRPERSON MENIN: Do you have any other
7 questions, Council Member Mealy? No? You sure? Okay.
8 Council Member Caban, questions?

9 COUNCIL MEMBER CABAN: Not at the moment.

10 CHAIRPERSON MENIN: Okay. All right. I do
11 have more questions. Commissioner, you mentioned in
12 response to Council Member Mealy about these one in
13 nine businesses. Could you be specific about what
14 sectors are you seeing? Is it food sector? It would
15 be interesting to have that type of data.

16 COMMISSIONER KIM: We'll get you the exact
17 data, but I do know that across all sectors it's
18 showing a robust increase and not just the new
19 businesses starting. We know also a lot of businesses
20 actually moving into New York City and investing in
21 New York City, and those aren't necessarily the
22 smallest of the businesses, but the ripple effect of
23 having these big businesses that come in to Midtown
24 Manhattan now, for example, Suntory Jim Beam moving
25 their headquarters from Chicago to Manhattan will

also really help the small business ecosystem around them, but we will get you more of that, but it has been across all the sectors.

CHAIRPERSON MENIN: Great. If you could give us a breakdown of that. The Commercial Lease Assistance Program, you mentioned that in your testimony, it's obviously a vital program that small businesses need the most right now. Is funding for this program included in the preliminary budget?

COMMISSIONER KIM: Yes, the 5 million dollars approximately has been baselined.

CHAIRPERSON MENIN: And has the need or demand for this increased since the pandemic?

COMMISSIONER KIM: Absolutely. As I mentioned in the testimony, I think we served over 850 businesses with CLA assistance in this past year, and that was quadruple or triple the amount of total number of businesses we served over a three-year period from FY18 to FY21 so I think not just the demand, but I think it's really directly attributed to our outreach efforts to get the word out there about our program and especially in the historically underserved communities in-language, and those are the businesses that have really been taking advantage

of this program so we're really excited to see the expansion of what we've seen and the baselining of it is going to be very helpful to many businesses.

CHAIRPERSON MENIN: Okay. I want to move to the DOE Early Childhood Education and Stabilization Fund. The Fiscal 2024 prelim plan includes 70 million in Fiscal 2023 for DOE Early Childhood Education and Stabilization Fund. SBS has said that it is under the purview of another agency. Could you talk about that and why this funding is going through this way?

COMMISSIONER KIM: Sure. That's EDC. It's under the purview of EDC so we defer to EDC to talk about that. As you know, the pass-through funding mechanism that happens with EDC, Governors Island, NYC and Co. goes through our budget but we don't manage or spend any of those particular funds so this program falls into that category.

I do want to correct one thing I just said about the CLA. It wasn't triple or quadruple. It was actually a 16 percent increase in the number of businesses we served versus the total number of businesses over a three-year period, but that, again, signifies just how much of a demand but how much more

we're serving small businesses in that particular program.

Back to your DOE question, it is an EDC program.

CHAIRPERSON MENIN: What is the Stabilization Fund for and why is it not going through DOE?

COMMISSIONER KIM: We'll tell EDC to get back to you on that.

CHAIRPERSON MENIN: Okay. We will definitely ask about that. That's fine.

I want to get back to one thing on the Commercial Lease Assistance Program. We're hearing from the Chambers of Commerce, from BIDs, from small businesses, they do want to see additional expansion of that. Are there plans to expand it further, and, if so, in what regard?

COMMISSIONER KIM: I think the success of the program is probably why you're hearing more people talk about it which, again, I think lends to our successful outreach efforts. I think not just going through our traditional channels of the BIDs and the Chambers and the over-350 community-based organization partners that we normally rely on, we

have made it an effort to go deep into the neighborhoods, meet people where they are, meet the businesses where they are. We've connected with over 6,000 New Yorkers directly. We have gone into communities and done commercial corridor walks with probably over 40 of the Council Members now, and I think holding roundtables in communities like Little Pakistan and Brooklyn and Little Yemen in the Bronx, and those kinds of efforts I think have really gotten people aware of all of our suite of free services but, in particular, the CLA is something that has shown that increase in usage and I think the budget reflects that accordingly at this time.

CHAIRPERSON MENIN: Okay. I know that NYC and Co. is a pass-through, but I'd like to hear about the agency's plans to market and promote small businesses given how so many small businesses are still struggling.

COMMISSIONER KIM: Absolutely. I think that's one of the most proud accomplishments, frankly, for me personally is our promotion of our services as I just rattled off the number of different New Yorkers we've connected with but also the number of different communities we've gone into

and the numbers of Mobi-RV (phonetic) outreach mobile unit going out and hitting more communities already at this time than we did all of FY22. What we realize is that traditional email marketing to small businesses is no longer the only way to reach small businesses. That is still one way, and you need to be creative about the content you send. One of the things that we've discovered also is that short videos get a lot more engagement than just words and also in-language is very important so one of the things we've done on the social media front is, again I think something to really highlight as a success for SBS, we've increased our followers across our social media platforms by 10.1 percent, we have had a 111 percent increase in engagement, and then this number I think is pretty astounding to me, but we have 1 million users now which is an increase of 316,000 people year-over-year and so when we know that people are digesting information in various forms, not just through emails, we are also hitting over 70 ethnic media outlets as well as part of our outreach efforts, and, again, back to the content of the messaging, when we have turned to more short video content messaging we've had an increase of

118,000 engagements and video views which is an 880 percent increase year-over-year so all of the things that we're doing to get the word out, we know at SBS that we have so many great programs across all of our divisions but if people don't know about it then a lot of our effort is for nought, and that's why this outreach effort, that's why this social media outreach effort, meeting people where they are, in the language that they need, in the community centers that they live in, that's been our primary focus.

CHAIRPERSON MENIN: Do you know what percentage of NYC and Company's budget they are allocating to promote small businesses as part of their marketing?

COMMISSIONER KIM: I don't know that, but I have frequent calls with Fred Dixon, who head NYC and Co., I sit on their Board, I know that we've worked together on trying to find ways to lure office workers, for example, back to the office more, private sector office workers, that we are working together on shop-your-local type concept of promotions. They've been great about promoting, what is it, Live like Queens or, they have a very borough-focused campaign around attracting tourists to small

businesses in all five boroughs but especially in the other boroughs but to really focus on saying hey, this is the experience you would be going through if you lived as a Queens' native for example, and that has been very effective in promoting small businesses.

CHAIRPERSON MENIN: One suggestion would be to take that campaign, work with all the major companies that are based in New York, get them the campaign, put the campaign on taxi tv, on Links, because I have seen those borough-wide campaigns, but I feel like a lot of New Yorkers are not aware of them. What can we do to really get those campaigns out? Also, in my past roles as Commissioner, one of the things we worked on is we partnered with the ad agencies in New York City to do really robust ad campaigns. If you historically even look back, the Made in New York logo was done by Radical Media. We have some of the best and the brightest, most creative ad people housed right in our city so really utilizing their talents to help to promote and market our small businesses.

COMMISSIONER KIM: Absolutely. I think that's a great idea, and we'll continue to explore

all options. Just on the social media front, I do want to just really highlight our comms team and the vacancy issue that you also raised, how important it is to take interns and nurture them and we were able to find somebody who was an intern and has now a full-time role who has really converted our video social media platform and having our mobile unit turned into a caricature called Mobi (phonetic), and we have Mobi doing Urdu and Spanish and Russian and all these other different languages, but I think all about the promotion of different venues and platforms is incredibly important to promote small businesses.

CHAIRPERSON MENIN: Okay. Moving to Workforce1 Centers. I have a number of questions there because obviously we're all familiar with the unemployment numbers in the City and particularly State Comptroller, as you know, released a report a number of months ago really focused on very high unemployment numbers for youth in the city. What is SBS doing in terms of addressing that in the Workforce1 Centers?

COMMISSIONER KIM: Let me turn it over to the First Deputy Commissioner.

2 FIRST DEPUTY COMMISSIONER MALLON: As I
3 think you know, we have 18 Workforce1 Career Centers
4 throughout the five boroughs staffed with account
5 managers who connect with businesses and source
6 candidates from all parts of New York to fill their
7 open jobs. We do typically in a year connect about
8 25,000 people into jobs paying 18.35, I think, an
9 hour, I can get you an exact number.

10 CHAIRPERSON MENIN: 25,000 is the number?

11 FIRST DEPUTY COMMISSIONER MALLON:
12 Typically.

13 CHAIRPERSON MENIN: And what's the
14 partnership with NYCHA? Are these Workforce1 Centers,
15 what are you doing to promote jobs for NYCHA
16 residents in particular?

17 FIRST DEPUTY COMMISSIONER MALLON: They
18 are an important community partner. We do recruitment
19 events with them. We help connect them to the jobs.

20 CHAIRPERSON MENIN: 25,000, could you be
21 more specific? So these 25,000 individuals have been
22 placed in jobs?

23 FIRST DEPUTY COMMISSIONER MALLON: 25,000
24 jobs we filled, yes.

2 CHAIRPERSON MENIN: Is SBS tracking what
3 happens with these individuals?

4 FIRST DEPUTY COMMISSIONER MALLON: To some
5 degree. It's a voluntary service and so we don't have
6 any hard data, but through our partnership with the
7 New York State Department of Labor, they track it in
8 the aggregate what the overall retention is at
9 different points in time post connection to a job.

10 CHAIRPERSON MENIN: How is the agency
11 marketing Workforcel? What's the public outreach
12 around that?

13 FIRST DEPUTY COMMISSIONER MALLON: It is a
14 combination of all the things that Commissioner Kim
15 just detailed for you.

16 COMMISSIONER KIM: In addition, Workforcel
17 has their own social media platform, and they do
18 their own community outreach as well with all of
19 their partners so it's really you have all of SBS and
20 all of Workforcel Centers co-promoting everything
21 that happens with the Workforcel Centers, and I think
22 one of the things to really highlight is that the
23 average wage there is \$18.25, above minimum wage.

24 CHAIRPERSON MENIN: It would be very
25 helpful for the agency to also let every Council

Member know about the Workforce1 sites that are anywhere in their district or adjacent to their district because Council offices can promote it in the newsletter, same for the Community Boards so really making sure that we're reaching as many as possible particularly given the unemployment numbers I think would be very, very helpful.

COMMISSIONER KIM: I think one other thing about Workforce1 Centers is our training programs as well. It's not just about connecting them to jobs but also connecting them to training programs. There's training programs in occupational training, construction site safety, there's commercial driver's license, healthcare industry so thank you for helping us spread the word on that as well.

CHAIRPERSON MENIN: It's so important so the Council wants to definitely be a resource in that regard.

In terms of the budget, what percentage of SBS' total budget is a contract budget?

FIRST DEPUTY COMMISSIONER MALLON: We got that question a little bit earlier. We're going to need to come back to you with specifics.

2 CHAIRPERSON MENIN: Okay, so you're going
3 to get back to us on that?

4 FIRST DEPUTY COMMISSIONER MALLON: Yes.

5 CHAIRPERSON MENIN: What measures has the
6 agency taken to ensure that there's an equitable
7 distribution of contracts to small businesses and
8 individuals in all five boroughs?

9 COMMISSIONER KIM: I think Council Member
10 Brooks-Powers had asked about the distribution, and
11 we'll get that to you as well, but in terms of the
12 way we look at our discretionary funding, we are very
13 much top-of-mind equity in everything that we do in
14 all of our programming. I think Executive Deputy
15 Commissioner Gross had pointed out also that our
16 agency had the largest percentage of M/WBE purchases,
17 over 90 percent, and so I think that's just one
18 example and reflection of how much we prioritize
19 equity.

20 CHAIRPERSON MENIN: We talked a little bit
21 earlier in your testimony about burdensome
22 regulations. Can you give an update because, again,
23 that is one of the most frequent refrains I hear from
24 small businesses across so many different agencies,

can you give an update on reducing the burdens of regulations?

COMMISSIONER KIM: Absolutely. As you know on just day four of this administration, Mayor Adams announced Executive Order 2, also known as Small Business Forward, where we had the exercise, I, myself, co-Chairing the Committee with Deputy Mayor Maria Torres-Springer, working very closely with Chief Efficiency Officer Melanie La Rocca, taking a close look at the regulatory agencies and which violations were on the books that posed a particular burden on small businesses, and so what we did was to see which of those violations on the books could be modified into a cure or warning period with the emphasis of placing education first then we also took a look at which of these regulations could actually be removed from the books altogether, and we found 30 of those, and then we also found regulations where we thought the fines could be lowered, again with the mindset of let's educate small businesses first before punishing and, in close partnership with you, we're trying to get the final pieces that require legislative change through so that all of the reforms that we've identified can be implemented. We've

already implemented a number of the policies that could be internally just changed within the agencies, but these last remaining items require legislative change and thank you for your partnership on that.

CHAIRPERSON MENIN: Absolutely. Council Member Mealy, I think has a few more questions.

COUNCIL MEMBER MEALY: Yeah. You said reform about the legislation in regards to helping some of the small businesses. What percentage of the small businesses have complied with changing the signs on their buildings? When I was here last time, I voted against it because I felt it would be a hardship to small businesses to revamp and get a whole new sign. Do you know what percentage have complied or which ones are still not in compliance, and have some of those fees been reduced in regards to that? To me, that's a hardship to small businesses now that they have to take off their old sign and put a new sign on, or the new legislation that they have to get a gate put in, a whole new gate that you could see through, that's a hardship to small businesses so how many people have complied and do you have a database on which ones have not? That can make or break a small business. They could go out of business

because they don't have 5,000 dollars to get a whole new gate that you could see through, which normally it's only the gate they had for 20 years, especially in regards to the pandemic.

COMMISSIONER KIM: Thank you, Council Member, for recognizing the challenges that small businesses face a lot of times with regulations on signage and other aspects. On this particular question, I will need to get back to you because I'm not sure exactly what data we have and, if we have it, we'll definitely share that with you.

COUNCIL MEMBER MEALY: Okay. I was just thinking, with the workforce, you did say you're going to get back to let every Council Member know which ones are in their area?

COMMISSIONER KIM: Yes.

COUNCIL MEMBER MEALY: How much is your advertising budget in minority neighborhoods or in general?

COMMISSIONER KIM: We have really emphasized in-language advertising promotion, also in communities that are historically underserved, and I think that's reflective in the over 70 media outlets, for example, that we use. At the same time, I think

our social media platform, the priority that we place on that, helps get the word out in all the communities. I think also a lot of the younger generation, however you want to define younger, but I think everybody is just a lot more social media savvy, and I think that's really how to get...

COUNCIL MEMBER MEALY: Yes, but we still have some. Do you advertise in Amsterdam newspaper? What is that budget?

COMMISSIONER KIM: We do actually. We do advertise in Amsterdam. Budget, I can get you the exact number, but like I said over 70 ethnic media outlets, community-based outlets.

COUNCIL MEMBER MEALY: Okay. How often do you work with Chambers of Commerce partnership because I don't know, Chamber of Commerce came to my neighborhood and partnered with businesses and helped some of my store owners with 5,000 dollars, 10,000 dollars. That was so phenomenal that it took some of my businesses out of the black so they're green right now, they're bringing in money. That was not a loan; that was just a gift from businesses. Has Small Business Services considered partnering, now Amazon is in East New York, have them give grants or gifts

or whatever you call it, and y'all present it to some store owners who are really struggling still in the community. I feel that would be a great way. I had it done in Brownsville, Bedford-Stuyvesant, Ocean Hill. I haven't done it in East Flatbush yet. Have you thought about partnering in that manner?

COMMISSIONER KIM: Absolutely. We work very closely with the Chambers of Commerce and not just the borough Chambers of Commerce. We've worked with other trade associations as well.

COUNCIL MEMBER MEALY: Do they give back also?

COMMISSIONER KIM: I think they all give back in many ways. I think in terms of specific...

COUNCIL MEMBER MEALY: No, I would like to know financially do they give back?

COMMISSIONER KIM: I think in specific programming that you're...

COUNCIL MEMBER MEALY: It's not a program.

COMMISSIONER KIM: Well, the specific idea, the concept, I think that we in this administration and SBS highly value public-private partnerships, I think that's part of what you meant when you said like Amazon as an example...

2 COUNCIL MEMBER MEALY: Yeah.

3 COMMISSIONER KIM: I think it's reflected
4 in the Opportunity Fund that we launched with
5 Goldman-Sachs and Mastercard. We've also been
6 discussing, for example, the Mayor signed an MOU with
7 Korean Air which is based in JFK and Korean Air
8 committed to helping use M/WBE suppliers, for
9 example, and also hiring CUNY interns. I think that's
10 where...

11 COUNCIL MEMBER MEALY: Yeah, but you're
12 talking about just like the airport. None of that
13 really comes trickling down to the small businesses.
14 This is an opportunity that it could be direct, and
15 small businesses have to jump through so many hoops
16 if someone does give them funding. This is a perfect
17 way that giving back to the community would be great.
18 What's the memorandum of understanding that the Mayor
19 did? Could you explain it to me?

20 COMMISSIONER KIM: I think the idea was to
21 continue to highlight public-private partnerships, to
22 take companies that necessarily might not have been
23 aware of M/WBE program and M/WBE supplier bases and...

24 COUNCIL MEMBER MEALY: So how is that
25 going?

2 COMMISSIONER KIM: We're working on it. We
3 just recently launched it, but I think the idea is to
4 get as many private partners involved in this, and
5 one of the things that our M/WBE team has is a very
6 robust online directory that we created and actually
7 improved dramatically during the pandemic, and it's
8 one of the tools when the questions were posed about
9 how do we improve M/WBE utilization rate, this online
10 directory is one..

11 COUNCIL MEMBER MEALY: Do you know some
12 small businesses are still not online or computer-
13 savvy?

14 COMMISSIONER KIM: Yes.

15 COUNCIL MEMBER MEALY: So how does it
16 trickle down? That's what I'm saying.

17 COMMISSIONER KIM: We've worked very
18 closely with Chambers on the ground. Last year, I
19 know that they were going to stores and having..

20 COUNCIL MEMBER MEALY: That's how it
21 happened.

22 COMMISSIONER KIM: Small businesses start
23 their own websites, for example, and we provide a lot
24 of free education courses, online courses, that's
25

2 accessible at any time for businesses to also get
3 digitalized and be on the web as well.

4 COUNCIL MEMBER MEALY: Thank you. I'm
5 looking forward to pow-wow-ing. Thank you, Madam
6 Chair.

7 CHAIRPERSON MENIN: Thank you, Council
8 Member Mealy. I just want to reiterate what the
9 Council Member said because we know that potentially
10 up to a third of New York City businesses are not
11 fully utilizing online, either they don't have a
12 website, they don't have online marketing. I have a
13 bill, as you know, to create the Office of Small
14 Business Digitalization which would then be housed at
15 SBS to help small businesses with websites and online
16 platforms so just wanted to make sure I mention that.

17 We've been joined by Council Member
18 Shekar Krishan so I'll turn it over to him for his
19 questions. Thank you.

20 COUNCIL MEMBER KRISHNAN: Thank you so
21 much, Chair Menin, and good morning, Commissioner,
22 good to see you.

23 First, I just wanted to say I appreciate
24 how responsive SBS and you, personally, have been as
25 issues have come up in my district too with small

businesses. You've come out to the district with me, visiting and spoke with businesses in Elmhurst and Jackson Heights and then especially appreciate working with immigrant-owned businesses, the priority you've made to ensure they're connected with resources, especially language-accessible resources, which is very important for my district, so I really do appreciate that.

One point I wanted to just ask about, I know it's been touched on before but just to emphasize again, one of the biggest issues that we see when it comes to small businesses and especially immigrant-owned small businesses, is access to legal services and not just for lease negotiations, I know the Commercial Lease Assistance Program, but as I understand it, it's also limited in scope in what they can do, it's negotiations or advice on negotiations but not really for representation and, as a former legal services lawyer myself, that's one of the things that really frustrates me the most because I know how crucial, my background, as you know, is the housing context, but it's very parallel to the commercial context where there's no protections for lease negotiations, commercial

landlords can increase the rents drastically overnight, and really engage in predatory behavior towards small businesses, and so that's where especially having legal representation is crucial because a lot of these commercial landlords, they can become so predatory precisely because they know small businesses don't have access to lawyers, and that's, of course, magnified for immigrant-owned small businesses and so just wanted to get a better sense of one, emphasize the importance of our legal services for small businesses and also would love to hear a bit from you about what SBS can do to both expand the scope of legal services through the programs you already have and, if not, maybe even engage law firms or pro bono legal services to work with small businesses with city government but some way to really enhance the capacity of legal representation for these difficult lease negotiations.

COMMISSIONER KIM: Thank you, Council Member, for that question and also for your comments previously.

The small businesses definitely require a whole suite of legal services even just to get

started, so WE NYC, we have a program, Women Entrepreneurs NYC, where they do help with pro bono legal services to help get businesses launched and started at the Business Solution Centers, seven around the city. We also provide some of the startup legal counseling pro bono. The M/WBE contract legal services also provides support for M/WBEs when they're dealing with government agencies to contract out. Legal services is a top priority in however many ways we can try to support the small businesses. I think Commercial Lease Assistance, as you referred to, in our testimony we pointed out that 5 million dollars has been baselined first of all, that wasn't in the testimony, but the 5 million dollars has been baselined because we've seen how much it's been needed by small business owners. The amount of people and businesses that we were able to serve with the CLA program just last year was 16 percent more than the total number of businesses we helped serve back in Fiscal Year '18 through '21 so over three years combined, we were able to have a 16 percent increase in the number of businesses served just last year alone so we know that this important. Coming out of the pandemic, many of the businesses had arrears and

so negotiating with their landlords on a level playing field was something that was a top priority.

COUNCIL MEMBER KRISHNAN: Thank you. I appreciate the response. One thing I would urge too is to see both in these budget negotiations we have now, of course, support for Commercial Lease Assistance Program and more funding for it too, but also any other creative ways to look at expanding legal capacity because what it really is is a capacity issue. A lot of the organizations just don't get enough funding to be able to do larger and broader scope negotiations so I do wonder if there's any way for SBS to look at possibilities there to expand the program and also other creative solutions, whether it's working with the City Bar Association, State Bar Association, or through pro bono programs to expand it because there's a lot of legal services available on the corporate side for large corporations to engage in some of the most sophisticated commercial lease negotiations, but it really just bothers me how for our small businesses, not able to access that kind of legal representation, and they deserve the same exact kind of representation, if not better, so I just urge you all

to think about ways to expand that capacity in a more creative way.

COMMISSIONER KIM: I really appreciate that suggestion. I know with Brendan McGuire, Chief Counsel, he started a pro bono relationship with private law firms to bring them into city government service for a year, and I think that we've been looking at that at SBS, but, like you said, maybe I didn't think of it the way particularly you just said it about bringing that person in to help represent small business owners in some ways if possible. Anyway, we're going to continue to try to think out of the box as you are too so thank you for that suggestion.

COUNCIL MEMBER KRISHNAN: Thank you. Thank you, Chair.

CHAIRPERSON MENIN: Great. Thank you so much. That concludes our questions for the administration. Commissioner, I really want to thank you for your testimony today. There are a number of different followups that we want to get, but I also want to thank my Colleagues for their line of questioning. I think there was some productive back-and-forth and ideas so we very much appreciate that.

2 Now, we're going to move on to the public
3 testimony.

4 COMMISSIONER KIM: Thank you.

5 COMMITTEE COUNSEL: Thank you, Chair. We
6 will now turn to public testimony. We will be
7 limiting public testimony today to three minutes
8 each.

9 For in-person panelists, please come up
10 to the table once your name has been called.

11 For virtual panelists, once your name is
12 called, a Member of our Staff will unmute you, and
13 the Sergeant-at-Arms will set the timer and give you
14 the go-ahead to begin, and you must wait for the
15 Sergeant to announce that before you can begin
16 delivering your testimony.

17 I will now call on our first panel. Erin
18 Piscopink and Carina Kaufman-Gutierrez.

19 COMMITTEE COUNSEL: Erin, you can begin
20 when you're ready.

21 ERIN PISCOPINK: Hi. Good morning, Chair
22 Menin and Members of the New York City Council
23 Committee on Small Businesses. My name is Piscopink,
24 and I testifying today on behalf of the New York City
25 BID Association where I serve as a volunteer Co-Chair

of our Contracting Working Group, and I'm also the Executive Director of the Grand Street BID in Brooklyn.

The New York City BID Association represents all of the City's 76 Building Improvement Districts, which are as diverse as the City itself. We're proud to serve nearly 300 miles of commercial corridors including around 100,000 businesses, and we invest more than a combined 160 million dollars back into our communities. We've worked harder than ever during the pandemic to support our city's economic recovery, providing critical public safety and sanitation services, as well as running new programs such as Open Streets and leading advocacy for Open Storefronts. We're very grateful for the partnership of Mayor Adams, Commissioner Kim, and the City Council over the past year. In particular, we want to thank Chair Menin for her advocacy and support of additional funding for small BIDs to deliver critical services as well as Mayor Adams and SBS for answering that call. As part of the Rebuild, Renew, Reinvent Blueprint for Economic Recovery, Mayor Adams laid out an ambitious plan to form new BIDs, expand current BID catchment areas, and to provide additional

assistance to small BIDs to serve districts across the city. We know that many small BIDs are already hard at work to deliver on the promise of this funding, which is being put to use on everything from graffiti removal and street beautification to lights for Ramadan celebrations and business attraction efforts. Unfortunately, since this is a new program, BIDs are now rushing to deliver these services as quickly as possible before the Fiscal Year ends, which is challenging. It's our sincere hope that this critical funding is renewed and ideally baselined so that BIDs can strategically plan to use this funding on our most important needs of our districts moving forward. We strongly urge Mayor Adams and City Council to continue to support small BIDs through this new program.

In addition to critical work our BIDs do on the ground, we're proud that two BID leaders, Matthew Bower and Nina Flores have been serving on the Mayor's Small Business Advisory Commission. We hope that we can continue to work with SBS, the Mayor, and the Council to advance reform efforts including four key priorities identified by the BID Association's Regulatory Reform Committee. Those are:

One, requiring that drafters of regulations directly affecting small businesses, be it Council considering legislation or agencies in rule-making, analyze and disclose economic impacts on those businesses prior to enactment. The recent DSNY trash set-out rules are a recent example of an agency not fully considering the impact on small businesses.

Two, requiring that any new or existing enforcement actions are consistently and evenly applied to all businesses. Enforcement should not come as a surprise and businesses should never feel that their neighbors are receiving unequal treatment.

Three, unfunded mandates on small businesses should be limited in use and carefully scrutinized.

Four, the BID Association wants to fully assist SBS in the planning and rollout of the new Small Business Portal that's currently under development.

We're very grateful for the partnership of the Mayor, Commissioner Kim, and the City Council. We look forward to continuing our important work with your support.

CHAIRPERSON MENIN: Thank you very much for your testimony.

CARINA KAUFMAN-GUTIERREZ: Good morning, everyone. My name is Carina Kaufman-Gutierrez, and I'm the Deputy Director of the Street Vendor Project. We're a membership-based organization that champions the rights of street vendors as small businesses to contribute to the life and culture all across New York. Thank you, Chair Menin, Council Member Krishnan, Council Member Caban, and Council Member Mealy for the opportunity to testify today.

As the only organization that serves street vendors all across New York City, we truly are the one-stop shop for this underserved population and have been providing critical services for street vendors since 2001, and we're respectfully requesting continued and expanded support from New York City Council this year to expand our essential Small Business Consultation Program for street vendors. Vendors are a growing workforce of over 20,000 and come from some of the most marginalized communities all across New York City, specifically immigrant communities of color and low-income households. Approximately 95 percent of street vendors are

immigrants, many of whom choose to become vendors for a variety of reasons, to own their own small business, to balance childcare responsibilities, and often because of the close connections they hold with the communities they serve. SVP did do a survey of over 2,000 of our members in 2021 and found many do operate at the margins of the formalized economy, 33 percent did not have bank accounts, 96 percent have never received business training from any city agency, and during the pandemic 97 percent of our 2,000 members that were surveyed did not receive any small business loans or grants from any level of government. The street vending industry has grown exponentially over the last three years as many New Yorkers found themselves unemployed during the pandemic, which has really hastened the need for robust small business services designed specifically for the vending community. In 2020, we had created a Small Business Consultation Program to provide a holistic approach to establishing financial independence, self-sufficiency, and small business growth for vendors, and through this program which operates now in six languages for a staff of 10, we provide our members with the tools, resources, and

skills to grow their businesses including assistance with setting up bank accounts, taking e-payments, and using social media to market their businesses. This is specifically targeted for the street vendor population, many of whom are older immigrants with limited digital literacy. We conduct outreach to the vending community through phone-banking, street outreach, membership meetings, and we have an open door office policy as well. In the past year alone, we've conducted over 500 individual consultations with street vendors in six different languages, and I just wanted to note that 59 percent of those consultations were with female street vendors. Since we launched this program, it has grown since 2020. In 2020, it was 210 consultations. In Fiscal Year 2021, it was 318 so the demand is booming.

I just wanted to close by saying thank you for the opportunity, again, to testify and that by empowering street vendors to improve their financial literacy, our services really help them integrate into the formalized economy. Thank you.

CHAIRPERSON MENIN: Great. Thank you very much. Let me turn it over to Council Member Krishnan.

COUNCIL MEMBER KRISHNAN: Thank you so much, Chair Menin. Thank you for your testimony today. Thank you to the Street Vendor Project for all the great work that you do advocating for our street vendors across the city in great need of resources and services. One question I just had was can you a bit, Carina, about the need for a larger number of licenses for our street vendors. As I understand it too, there was legislation passed to increase that amount, but the implementation of it has been very slow, and can you talk a bit about why that's important to make sure that's implemented as quickly as possible and also with the funding that you all are testifying and seeking, wouldn't that also help to make sure that street vendors would be able to navigate the very bureaucratic process to obtain the licenses that have already been awarded or that they can apply for?

CARINA KAUFMAN-GUTIERREZ: Thank you for that question. When we're talking about red tape for small businesses, street vending is really the biggest of all red tape. As folks may be aware, there has been a cap on the number of permits and licenses for vendors so for folks who sell merchandise who are

not military veterans, there are only 853 total general vendor licenses for the entire city, and that's been in place since 1979, and for food vendors, there are only 2,800 total mobile food vendor permits for the entire city, a cap that's been in place since 1983 so there's actually no legal way to become a street vendor business in New York City. The only way right now for people to obtain a permit to operate a street vendor, mobile food vendor unit specifically is to rent one on the underground market, which you have no legal ownership over. It's not like the taxi medallions where they can be leased, which is its own issue in itself, but here there's actually no legal ownership or transfer of ownership, and so this has created the underground economy for renting permits at these exorbitant prices and for general vendors and there's just no way. A lot of that translates over into the types of services that are offered to vendors right now. Because there's no way to get into this system to become a legal street vendor, there's also a dearth of services that exist in terms of small business training for street vendors in particular. That's something we often run into as an organization.

People come to our office and say hey, I want to become a vendor, how do I do it, I want to do it the right way, and we have no advice to give them.

Going over to the question about the implementation of Local Law 18 of 2021, that law was passed to create a new system of supervisory licenses that is exclusive to mobile food vendors so this is starting to move the permitting system that vendors have for food vendors specifically into a supervisory license system which means that the holder of the license will be the individual so that person has to be there any time the cart is open so it kind of cuts out the ability for there to be an underground market. That person has to always be present. It will increase the number of supervisory licenses available to vendors by 400 each year over the course of 10 years so for a total of 4,000. Those were supposed to be implemented and released in July 2022 and here we are in March 2023 and those have yet to be release. Again, it's only 400. It's a significant amount for those 400 people who've been on a wait list for 15+ years to be able to finally legalize their business or formalize it, but we have yet to see or hear when those will actually be released. The wait list has

been formed. The wait list is about 10,000 individuals, and that only includes people who took their Department of Health courses and received their mobile food vendor license prior to 2017 so anyone who's actually tried to even get their certification to become a vendor after 2017 is not even on this wait list of 10,000 people.

To the final part of your question, and I apologize for taking up so much time, but the funding request here is really to one, we support folks to navigate the system. A lot of people come in and try to learn about how do I get an I-10 number, how do I get a New York State Sales Tax Certificate of Authority, how do I get on the wait list, how do I read this letter I got in the mail from the Department of Health that's only in English but relates to my permit and so a lot of those kind of intake services, we are the one-stop shop and the one place. We get referrals from other organizations, from Council Members that comes to our office, and so this would definitely help route people to that and provide language support to be able to do that as well as well as the Small Business Consultation services beyond business compliance is also to help

people grow their businesses, not just in this crisis emergency mode but develop a signature business card to get online with an Instagram so people can learn about their businesses, things along those lines.

COUNCIL MEMBER KRISHNAN: Thank you.

CHAIRPERSON MENIN: Council Member Mealy.

COUNCIL MEMBER MEALY: Thank you. I would love to have your information. How many of these vendors, veterans comes in to seek your support?

CARINA KAUFMAN-GUTIERREZ: That's a great question. We have a Veterans Committee within SVP, the Street Vendor Project, and so last year I believe we served between 180 and 185, I don't want to get quoted, folks who came into our offices or requested support.

COUNCIL MEMBER MEALY: So does your organization help if some of these vendors are being harassed or taken advantage of? Do you have any legal people in your office in regards to that?

CARINA KAUFMAN-GUTIERREZ: Absolutely, yes.

COUNCIL MEMBER MEALY: Is it a good percentage of people coming in letting you know that it's almost like mafia-type stuff taking their

license even though it is their license but people are taking their license and abusing it. I like the Local Law 18. I would love to get that information or to visit or I could sit down with you in regards to the veterans. A majority of the veterans feel they are being axed out of their vendor license, and which they were the first ones who received the license and now they're the ones who can't get on a right corner in Manhattan and they had their license first. To me, charity starts at home. If they had it first, they served us in the war, we're supposed to look out for them and make sure they can make a living on their own so I would love to work with you in regards to that.

CARINA KAUFMAN-GUTIERREZ: Absolutely.

COUNCIL MEMBER MEALY: With the New York City BID Association, how many contracts you feel are going to be rushing now to fulfill their contract before the end of this budget, June?

ERIN PISCOPINK: There are 53 BIDs that were eligible as the small BIDs that could apply for the funding. My understanding is that our contracts started to be registered yesterday. I personally received my registered contract yesterday. The

2 scoping happened previously so I think there's been
3 opportunity for some of us to start the work before
4 the contract was registered in good faith.

5 COUNCIL MEMBER MEALY: They would have to
6 use their own money though now.

7 ERIN PISCOPIK: Correct.

8 COUNCIL MEMBER MEALY: That's a problem. I
9 believe the Comptroller made a big thing about it
10 today on the news in regards to we are not serving
11 the small businesses on these contracts if they have
12 to use their own money, get a loan, just to survive
13 until their contract is...

14 ERIN PISCOPIK: There are two sides to
15 the coin there, for sure, and it is really difficult
16 for small BIDs to start doing this work with our own
17 reserves essentially. The other side of that, to
18 commend SBS for the effort they've put in, in this
19 Fiscal Year they've reinvented the contracting
20 process to try to streamline this and make it easier
21 for us and to get money into our bank accounts faster
22 so I remain hopeful that that's the direction we're
23 heading, but I very much appreciate your comments
24 that it's difficult and you are correct.

2 COUNCIL MEMBER MEALY: We must do better.
3 Thank you.

4 ERIN PISCOPINK: Of course.

5 COUNCIL MEMBER MEALY: Thank you, Chair.

6 CHAIRPERSON MENIN: Thank you.

7 COMMITTEE COUNSEL: Thank you. We'll now
8 move to the next panel which will be on Zoom. This
9 panel will consist of Greg Morris, Angelica Novoa,
10 Beatrice Ajaero, and Alex Stein.

11 Greg Morris, you can begin when the
12 Sergeant calls time.

13 SERGEANT-AT-ARMS: Starting time.

14 GREG MORRIS: Good afternoon. Thank you so
15 much for making this opportunity, Chair Menin and
16 Council Members. It's great to see you. My name is
17 Greg Morris. I am the CEO of the New York City
18 Employment and Training Coalition, a 25-year-old
19 organization focused on supporting and ensuring
20 resources for the workforce development providers in
21 New York City. It's a 220-member-strong organization,
22 so 220 organizations focused on supporting the
23 alignment of workforce development and economic
24 development in the city focused on reducing barriers
25 to employment access, focused on supplying every New

Yorker with the skills, training, and resources they need to find a quality job. I'm bringing this to the table today because we see the investment and support the investment in small businesses. Nearly half of New Yorkers, as you know, find employments in the city's workforce, finds employment within the small business sector so we are champions of small business and we support commitments and resources to ensure that they have what they need to thrive in New York City. Let's face it, this is a particular moment in time when New York City as it relates to our unemployment rate, we are not doing as well as other cities. There are some specific reasons for that. The unemployment rate specific to young adults has surged. I also want to note that there's a significant number of New Yorkers who have gotten on cash assistance in the last year because they are struggling. I say all this to say the commitment that our City needs to make, and our Mayor did a great job of highlighting jobs in his State of the City, we certainly support that effort, but you have to make the commitment to make that real. That includes a focused commitment on job training, readiness, and support services to ensure that New Yorkers can find

pathways to those careers that can ensure 21st century success in New York City. I just want to flag one note. Job training programs tend to be connected to lots of different employer opportunities. I'd like to see the Council support a new initiative focused on connecting job training to small businesses because the unique needs of our small business community. I also want to support the Council's effort to think about how the Council holds the City accountable for the investments it makes in workforce development to ensure that it hits every sector the right way.

Final notes, and this is specific to yesterday's hearing related to Finance and today, as you ask questions of city agencies in relation to the data in terms of who's getting hired for the municipal workforce, I think it's very important that you hold folks accountable and continue to press on the question because it wasn't answered yesterday in the City Council hearing on Finance as to how it is that the hiring (INAUDIBLE) model that's been put in place for the municipal workforce, how that's actually resulting in employment placement, so again I would challenge this Council to continue to press

the City to say if the municipal workforce has opportunities, here's how we know who got hired and how often and how. I know my time is up.

The last note I will make for you, of course, is that I support every effort made to think about portals that connect opportunity and training. I would just encourage you to seek to connect workforce development providers with city agencies and employers to make sure that those portals work for everyone. We want to make sure that data makes sense, we want to make sure folks have access, and we want to ensure that everyone has the opportunity to have a quality job now, and that requires us to rebuild our workforce development structure. Thank you.

CHAIRPERSON MENIN: Thank you so much, Greg. Thank you for those suggestions and for the work you're doing. Appreciate that.

COMMITTEE COUNSEL: Now we go to Angelica. Angelica, you can begin when the Sergeant calls time.

SERGEANT-AT-ARMS: Starting time.

ANGELICA NOVOA: Hi. My name is Angelica Novoa. I'm the Director of Training and Education at New Immigrant Community Empowerment, NICE. We are

grateful to share our testimony today on behalf of our organization and the thousands of immigrant workers, day laborers, and families in New York City.

We urge the City Council to invest in Day Laborer Workforce Initiative, the Construction Site Safety Training, and the Low-Wage Workers (INAUDIBLE) to continue the work that NICE provides to over 18,000 immigrant workers per year. Immigrant workers, especially newly arrived immigrants, day laborers, and women experience rampant wage theft, pervasive construction accidents, unchecked workplace hazards, and lack of access to free Spanish, culturally dignified training. The goal of the Day Laborer Workforce Initiative is to work together with NICE and other job centers addressing these issues by connecting workers to critical services, providing training on health and safety, legal rights, living wage (INAUDIBLE), facilitating access to good jobs, and, more importantly, creating safe, dignified spaces for day laborers looking for a job.

Last year, over 9,000 workers used NICE job center, and we dispatched over 1,200 jobs. In the last two years, our membership has increased exponentially, making these services very important

and essential, more ever than before. We have members that have participated in our Construction Site Safety Training in the last year, over 3,200, and also in our Professional Development Skill Training, which includes many abilities. Through our partnership with SBS and Site Safety Training under Local Law 196, NICE has provided over 2,000 SST cards to our members, and we have worked tirelessly with the use of the new Training Connect Card. We would like to urge the Council to renew and expand the Day Laborer Workforce Initiative budget for Fiscal Year '24 to 4,875,000 to increase the access to workforce development and training opportunities for immigrant workers, low-income New Yorkers, and day laborer centers. We also urge the Council to renew and expand the Site Safety Training funding under Local Law 196.

Thank you very much for your time and consideration.

CHAIRPERSON MENIN: Thank you very much.

COMMITTEE COUNSEL: Thank you. We'll now go to Beatrice. Beatrice, you can begin when the Sergeant calls time.

SERGEANT-AT-ARMS: Starting time.

BEATRICE AJAERO: Good afternoon, Council Members, and thank you to Council Member Adams for this opportunity to speak this afternoon. My name is Beatrice Ajaero, and I'm the owner of Nneji restaurant in Astoria. I'm a member of Queens Together and the New York City Hospitality Alliance. The pandemic is an important backdrop for many restaurants and small businesses here in New York City and, as many of us know, 33 percent drop in restaurants keeps us eager to find resources to stand in the gap. Technical support, grants, and contracts, aspects of business life that keeps us resilient around tax preparation and administrative support, marketing tools, and opportunities such as this forum this afternoon that gives small businesses and restaurants a chance to both be heard and also to listen to the different levels of decision-making that come to bear on everyday operations. Forums such as these also help to enrich our work as small businesses and allow us to tap into both the minds and the hearts of our community. Some of the projects that have helped to support businesses small and large are the revitalization efforts of Downtown Jamaica made possible by Council Member Adams' office

and work, and those are the kinds of opportunities that allow us to contribute to the economic vibrancy of Queens, of New York City, and of New York State.

One of the areas that I think could benefit from more attention is the conversation around M/WBE certification, M/WBE as an umbrella. Perhaps the equity work that the M/WBE umbrella is intended to achieve may not be achieving its intended results if 2 percent of the M/WBE contracts awarded are going to black entities. Perhaps the consideration to look deeply into the breakdown of the M by ethnicity and WBE accordingly might help us in that area. Organizations like Queens Together have really stepped up over the past few years to support small businesses and restaurants with technical support, with granting contracts, with marketing support as well and allowing us to provide catering or food relief opportunities and really to support our neighbors during these seasons when things were at its worst.

We look forward to continued collaboration and support from the Small Business Services so that with groups like Queens Together we can continue to make New York City a choice for

restaurants and small businesses alike. Thank you so much.

CHAIRPERSON MENIN: Thank you very much.

COMMITTEE COUNSEL: Thank you. We will now turn to Alex. Alex, you can begin when the Sergeant calls time.

ALEX STEIN: Thank you guys so much for having me, and I just want to start off by saying I apologize to Council Member Brewer. I said some unkind things, and I think she's a beautiful inside and out and I'd like to make it up to her, if I could ever buy her dinner, do something that's obviously not illegal or anything.

I want to talk about the street vendors for a second. Listen, I actually give (INAUDIBLE) to a lot of these vendors, and this is the problem. The vendors have the right to work, but they also need to be protected, they have to be safe, and the problem is we need some sort of defense force because Julio, one of my best hot dog guys, got stabbed by a fentanyl addict 17 times. Luckily, Julio is Venezuelan, and he was an incredible soccer player, he has cardiovascular strength, he dated my wife for a little bit. He's an incredibly strong man and he's

able to live, but he could've been a casualty. He could've been a casualty in this horrible, corrupt system that we have of police officers that don't want to do their job. Listen, I know the NYPD force is stretched. I understand they've had a record level of myocarditis and pericarditis after the inoculation, but they still need to be there for us. We still need them. I know their hearts are enlarged, but at this time and age these vendors need to be protected. They deserve the same rights as everybody in this community so this is why I stand here and I ask you, I ask every Council Member, we have to create some sort of fentanyl zombie defense force where if we see somebody...

CHAIRPERSON MENIN: Okay, I'm going to cut this off. This is a serious hearing. It's not a mockery so that you can do this. Sergeant, please mute. Thank you.

ALEX STEIN: These vendors are getting cut down so don't cut me off because I will sue you guys...

CHAIRPERSON MENIN: Yeah, we don't do that in this Chambers. We're not making a mockery so you can use this for your television show. We don't do

2 that just to be clear. This is a serious hearing with
3 serious questions. Thank you.

4 Do we have anyone else?

5 COMMITTEE COUNSEL: I believe we have now
6 heard from everyone who has signed up to testify.

7 If we have inadvertently missed anyone
8 who would like to testify in-person, please visit the
9 Sergeant's table and complete a witness slip now.

10 If we have inadvertently missed anyone
11 who would like to testify virtually, please use the
12 raise hand function in Zoom, and I will call on you
13 in the order of hands raised.

14 CHAIRPERSON MENIN: Okay. We have one
15 other person.

16 COMMITTEE COUNSEL: We will call on Guy
17 Yedwab. Guy, you can begin when the Sergeant calls
18 time.

19 SERGEANT-AT-ARMS: Starting time.

20 GUY YEDWAB: Thank you and thank you,
21 Chair Menin and the Committee, for the opportunity to
22 speak today. Before I share my prepared remarks,
23 there were a few questions from the Committee about
24 the amount of storefront vacancy within the city, and
25 I'd like to direct everyone's attention to the

legislation that this Committee and the Council passed requiring the Department of Finance to track vacancy. There actually is data that's on the Open Data Portal, and I'm happy to share that information to the interested Council Members.

What I've come here today to talk about on behalf of the League of Independent Theater, an volunteer advocacy organization for cultural small businesses across the city, is that art small businesses are small businesses just like any others. Every dollar that supports small theaters, small dance halls, small rehearsal spaces not only supports those small businesses themselves but also the network of nearby businesses, bodegas, retail, and restaurants that are benefitted by increased foot traffic so where small businesses are concerned about the loss of foot traffic because of office use reduction, theater and dance is still drawing people out onto main streets throughout the five boroughs so we ask the Members of this Committee to join with the Committee on Cultural Affairs to increase the baseline funding for the Department of Cultural Affairs. Baselining the 40 million from last year and adding an additional 10 million will ensure that

artistic small businesses can continue to contribute to the city's economy.

We also ask that the programs funded by the Committee on Small Business not discriminate against small businesses that are non-profits, in particular the incredibly valuable Commercial Lease Assistance Program currently excludes non-profit small businesses. A commercial lease is a commercial lease regardless of whether it's for an art gallery or a bodega. As we've heard today, the need for commercial lease assistance is still deeply felt in the community and growing. Please allow non-profit small businesses to receive this support just like any other small business in the city.

Thank you for your time. We look forward to testifying soon, hopefully at a hearing before this Committee on commercial rent stabilization. Thank you.

CHAIRPERSON MENIN: Thank you very much.

COMMITTEE COUNSEL: Okay. Seeing no one else, I would like to note that written testimony, which will be reviewed in fully Committee Staff, may be submitted to the record up to 72 hours after the

1 COMMITTEE ON SMALL BUSINESS

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2 close of this hearing by emailing to
3 testimony@council.nyc.gov.

4 CHAIRPERSON MENIN: Great, and that closes
5 the hearing. [GAVEL] Thank you.

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 15, 2023