

TESTIMONY
BY
COMMISSIONER GREGG BISHOP
NEW YORK CITY
DEPARTMENT OF SMALL BUSINESS SERVICES
BEFORE
THE COMMITTEE ON SMALL BUSINESS
OF THE
NEW YORK CITY COUNCIL
FRIDAY, MARCH 15, 2019

Good afternoon Chair Gjonaj and the members of the Committee on Small Business. My name is Gregg Bishop and I am the Commissioner of the New York City Department of Small Business Services ("SBS"). I am joined by SBS First Deputy Commissioner Jackie Mallon and my senior leadership team.

At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting them to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. Today, I will share updates on our efforts to achieve this aim over the last year. After my testimony, I am happy to take your questions.

First, I'd like to give you an overview of our agency budget. From there, I will discuss the services made possible through this funding. SBS's Fiscal Year '20 Preliminary Budget is \$174 million with a headcount of 331 employees. The Preliminary Budget includes pass-through funding that is not spent or managed by SBS, but is used as conduit funding for other City entities. Of the \$174 million, 34% or \$58.5 million is pass-through funding, which includes: \$21 million for the NYC Economic Development Corporation, \$21.1 million for NYC & Company, \$14.9 million for Governors Island and \$1.4 million for the Brooklyn Navy Yard Development Corporation. The remaining \$115.6 million, or 66% of the Fiscal Year '20 Preliminary Budget, is allocated for SBS's programs. This funding supports SBS's mission of economically empowering New Yorkers through our employment, business, and neighborhood services.

SUPPORT FOR BUSINESSES:

As you know, small businesses are essential to the local economy and character of our neighborhoods. They provide opportunities for individuals to strengthen their own economic security and provide jobs for members of their communities.

SBS operates a network of seven **NYC Business Solutions Centers** that provide free, high-quality services to help small businesses start, operate, and grow. These centers are at the core of our business support strategy and offer services including access to capital, M/WBE certification, navigating government regulations, and workforce recruitment. In Fiscal Year 2018, SBS's NYC Business Solutions Centers served almost 10,000 unique businesses. To assist industrial and manufacturing businesses, SBS contracts with nine **Industrial Business Services Providers** ("IBSPs"). In Fiscal Year 2018, the IBSPs connected more than 400 unique businesses to nearly 800 services.

Earlier this week SBS announced the successful implementation of the thirty commitments that comprise **Small Business First** (SB1). SB1 is a set of interagency policy and procedural changes that reduce the regulatory burden on small businesses and increase compliance. This includes the **NYC Business Portal**, an online resource where business owners can look up which licenses and permits their specific business needs, view their interactions with the City, and learn how to avoid common business violations. Since the portal was launched last year, more than 24,000 accounts have been created and we have seen an average of 1.5 million unique visitors per year.

Through SB1, we continue to refine the portal and provide direct support to business owners through the **Compliance Advisors** program, which has provided on-site compliance consultations to more than 5,000 businesses. The implementation of SB1's thirty commitments is expected to decrease the time to complete common business transactions by 30% and save businesses \$50 million annually.

Along with regulatory reform, SBS helps longstanding businesses adapt to changing market conditions. Through the first round of the **Love Your Local** grant program, SBS awarded up to \$90,000 in funding to 20 small businesses. This initiative will enable SBS to test and analyze creative business interventions with the aim of expanding effective solutions to other longstanding businesses across the five boroughs.

Since launching last year, our **Commercial Lease Assistance Program** has provided eligible businesses with legal services on topics including lease negotiations, formalizing oral lease agreements, and landlord harassment. The Commercial Lease Assistance Program has shown strong performance in serving small business owners that have historically lacked access to quality services. Of the more than 200 businesses served through the program, 80% are minority-owned, 60% are immigrant-owned, and nearly half are owned by women.

This year SBS strengthened our **WE NYC** program by launching new initiatives to help address the entrepreneurship gender gap with a focus on underserved communities. **WE Legal** now hosts clinics for women entrepreneurs to access free, one-on-one legal consultations. During these consultations, attorneys provide business

owners with legal advice regarding business formation, drafting by-laws and contracts, and other corporate legal matters. WE NYC's new capital access program, **WE Fund: Growth**, is a targeted loan program that makes more than \$5 million in capital accessible to women entrepreneurs looking to grow their businesses. Earlier this month we also announced **WE Credit**, which helps women entrepreneurs access lines of credit to start, grow, and sustain their businesses. These new programs build on the existing mentorship, education, and community resources offered by WE NYC, which has served more than 6,000 New Yorkers since its launch in 2015.

Support for Minority and Women-Owned Business Enterprises

SBS also plays a key role in the City's Minority and Women-owned Business Enterprise ("**M/WBE**") program. The M/WBE program aims to support the growth of minority and women-owned businesses through City procurement, ensuring that our vendors reflect the diversity of our city. SBS certifies M/WBEs, provides essential capacity building services, and offers technical assistance to help M/WBEs compete for and execute City contracts. To date, SBS has certified more than 7,100 M/WBEs, a nearly 96% increase since the start of the Administration. This year SBS launched a **new online application portal** to further streamline the certification process. Mayor de Blasio also recently announced that the City has awarded more than \$10 billion to M/WBEs since 2015.

For certified M/WBEs, cash flow is often an issue for companies working on City projects, so this Administration created the **Contract Financing Loan Fund**. This \$10 million revolving fund lets small businesses borrow up to a million dollars, capped at a

3% interest rate. Since the fund launched in 2017, SBS has awarded loans worth more than \$9 million, opening the door to more than \$52 million in contracts for small businesses.

SUPPORT FOR JOBSEEKERS

SBS provides support for every day New Yorkers to gain new skills and connect to living wage jobs. We focus on growing sectors in our economy and prepare New Yorkers to seize those opportunities. SBS assists jobseekers with a wide range of skill levels through an inclusive growth strategy that ensures community members, employers, and education institutions are all aligned to increase the number of local residents prepared for, and getting, good jobs.

Through our network of **18 Workforce1 Career Centers**, SBS connects jobseekers with employment opportunities, industry-informed trainings, and a variety of candidate development services, such as resume development, interview preparation, and job search workshops. Annually, we connect more than 25,000 New Yorkers to employment and nearly 4,000 New Yorkers with the training needed to advance their careers.

Through our **Industry Partnerships**, SBS works collaboratively with industry to invest in local talent in the food service, industrial, construction, healthcare, and tech sectors. Examples of Industry Partnership initiatives that are supported by our budget include job quality programs in home healthcare and efforts to bring top tech talent from private industry to teach at local CUNY colleges.

In addition, employers from the Industry Partnerships are leading the charge on a new way to hire local talent. Through **Apprentice NYC**, employer partners have hired New Yorkers in fields as diverse as nursing, computer numerical control (CNC) machinists, and software and mobile engineering and have provided them with the training and mentoring needed to succeed. The funding in SBS's budget will help spread and scale this new way of identifying and on boarding talent across New York City. For example, this budget will support the expansion of our **Citywide Nurse Residency** to 24 local hospitals, providing 500 nurses with year-long residencies that include specialized training to bridge the gap between education and practice. The Citywide Nurse Residency, launched this year, is the nation's first City-led nurse residency program.

Using the industry knowledge gained from our employers, SBS works with provider partners, including tech boot camps and community-based organizations, to create industry-informed trainings across multiple career pathways. In the healthcare sector, we support trainings for workers in home healthcare, medical assisting, and nursing, providing a variety of entry points and advancement opportunities for New Yorkers with different levels of experience. We work closely with neighborhood community groups to recruit for all twenty-eight trainings SBS offers across the many sectors we focus on, to ensure local residents are able to easily access these opportunities.

In alignment and support of the Administration's vision of equity of opportunity, we have developed bridge programs and tailored employment services. For example, in partnership with the Mayor's Office of Immigrant Affairs and community-based

organizations, we created unique employment and training services tailored to the strengths and needs of immigrant New Yorkers. These programs include bilingual medical assistant training, bridge-to-tech, and preparation for nursing for foreign trained nurses.

Similarly, we have worked with youth education partners, including DOE Career and Technical Education and District 79, to create a suite of employment and training services to support young adults. These efforts include colocation at our **West Farms Workforce1 Career Center** in the Bronx that allows young adults to combine work and school, and access bridge programs in transportation, healthcare, and tech.

SUPPORT FOR COMMERCIAL CORRIDORS:

The expertise of local, on-the-ground partners is essential to addressing the unique challenges faced by New York City's diverse neighborhoods and businesses. SBS oversees the largest network of **Business Improvement Districts (BIDs)** in the country, with 76 BIDs delivering more than \$159 million in services to 93,000 businesses throughout the five boroughs. SBS provides the BID network and other community-development organizations with technical assistance, grant opportunities, and capacity building services, further strengthening the direct connection between our Agency and our local small businesses.

To increase the capacity of our community partner network, SBS developed the **Neighborhood 360° Fellows program**. The Neighborhood 360° Fellows program pairs ten paid, full-time neighborhood development specialists with ten community-based organizations. The program not only provides local organizations with dedicated support

for commercial revitalization projects, but also builds a pipeline of diverse talent in the neighborhood development field.

SBS works with community partners to identify the needs of local commercial district and plan targeted solution through our **Commercial District Needs Assessments**, or CDNAs. CDNAs identify the strengths, challenges, and opportunities within a commercial corridor to better inform subsequent investments. To date, SBS has worked with community partners to publish ten CDNAs. In 2018, SBS shifted the focus of our **Avenue NYC** grant program from project-based awards to long-term commitments. Avenue NYC enables awardees to hire a full-time program manager, conduct a CDNA, and implement programming based on the findings. Nine additional CDNAs are being conducted through the Avenue NYC grants awarded in 2018.

To expand SBS's reach beyond our physical centers and network of community partners, we are committed to conducting outreach throughout the five boroughs to raise awareness of our services among business owners and job seekers. Through the support of Council, our **Chamber On-the-Go** initiative allows us to send trained business specialists to canvas commercial corridors and connect with business owners. Since launching in December 2015, Chamber On-the-Go has reached almost 13,000 businesses directly at their doorsteps. In 2017, SBS launched an additional outreach tool, our **Mobile Outreach Unit**. Equipped with classroom space and computers, SBS staff use the Mobile Outreach Unit to provide on-site referrals to our free business services, one-on-one technical assistance with M/WBE certification applications, resources during an emergency, and recruitment events to connect jobseekers with employment opportunities.

I look forward to the continued partnership of the Committee in building a more vibrant and inclusive economy as we expand the reach of SBS' programs to more New Yorkers. Thank you and I would be happy to take your questions.

Written Testimony
NYC Council Hearing
Small Business Committee
March 15, 2019

Presented by:

Business Outreach Center Network

My name is Katie Parks and I am here on behalf of the Business Outreach Center (BOC) Network, and our affiliate small business loan fund, BOC Capital Corp. CDFI.

BOC Network provides business technical assistance, customized small business training and access to capital in largely immigrant and minority communities throughout New York City. We serve two industrial business areas and operate the first business incubator in the Bronx. BOC Network is a member of the New York City Worker Cooperative Coalition, providing practical business development assistance to the growing number of cooperative businesses. BOC leads equity-driven initiatives and delivers affordable capital to minority and women-owned businesses.

BOC Network is well known for its hands-on bilingual service model that supports entrepreneurs at every stage of business development, training for child care and construction businesses and lending programs targeting minority and low-income entrepreneurs. BOC collaborates with NYC SBS to deliver industrial business services as the Industrial Business Solutions Provider for Queens Central and Brooklyn East. Our loan fund has grown both as a lending and training resource for certified minority and woman-owned businesses, with a special focus on construction contractors. BOC Capital has loaned over \$25 million to date. We deliver NYC's Contract Finance Loan Fund, and have leveraged over \$24 million in contracts for small businesses since March 2017 with close to \$6 million in NYC Contract Financing loans.

We see first-hand how community businesses of all sizes and types can benefit and grow, saving and creating jobs for New Yorkers. Our focus has grown to support NY businesses to access

markets and financing while focusing on their own accountability to their workers. We promote quality jobs through small business development and cooperative business ownership.

Every day worker-owned cooperatives create jobs and equity for low-income New Yorkers in a variety of business sectors, from what is known as the 'caring economy' to transportation, construction and professional services.

Community and immigrant-owned business are vital to local economies. These brave entrepreneurs are responsible for not only creating jobs, but for recirculating capital in their own neighborhoods. As a result, BOC Network is strongly supporting funding increases from City Council to support highly impactful business assistance programs and initiatives including:

Chamber on the Go and Small Business Initiative:

BOC Network urges the City Council to enhance support for business training, needs-based financial and business counseling, and access to capital for new entrepreneurs and local small businesses. The BOC Network and its members serving all five boroughs of New York City request the City Council to increase its investment in the Chamber on the Go and Small Business Initiative overall. We are requesting to increase the allocation to BOC from \$113,000 to \$190,000 which will increase our inclusive business development services and will also leverage federal dollars.

Worker Cooperative Business Development Initiative:

BOC Network urges the City Council to continue increase its support of the Worker Cooperative Business Development Initiative. Worker cooperatives are values-driven small businesses whose core purpose is to benefit workers and their community. BOC joins the Worker Cooperative Coalition to request the City Council to add resources that will enable expansion of the Worker Cooperative Business Development Initiative to \$4,854,000 from \$3,609,000.

New York City Council has played a strategic role in supporting initiatives to save and create jobs, to encourage neighborhood business development, and to support strategies for equitable local economies and MWBE access to contracts. We look forward to our continued work together towards these shared goals.

**WRITTEN TESTIMONY OF ARMANDO MORITZ-CHAPELLIQUEN
BEFORE THE NEW YORK CITY COUNCIL
SMALL BUSINESS COMMITTEE CONCERNING
THE FISCAL YEAR 2020 PRELIMINARY BUDGET**

March 15, 2019

Good Afternoon. Thank you Chair Gjonaj and members of the Small Business Committee for the opportunity to testify.

My name is Armando Moritz-Chapelliquen and I am the Senior Economic Development Organizer at the Association for Neighborhood and Housing Development (ANHD). ANHD is a membership organization of NYC- neighborhood based housing and economic development groups- CDCs, affordable housing developers, supportive housing providers, community organizers, and economic development service providers. We build community power to ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers.

ANHD is committed to strengthening the needs of communities citywide and sees small businesses as integral to the fabric of New York's neighborhoods. **United for Small Business NYC (USBNYC)**, a coalition convened by ANHD, includes community organizations from across New York City fighting to protect New York's small businesses and non-residential tenants from the threat of displacement, with a particular focus on owner-operated, low-income, minority and immigrant-run businesses that serve low-income, immigrant, and minority communities.

ANHD commends the Department of Small Business Services (SBS) for working to meet this crucial need. The **Commercial Lease Assistance (CLA)** program focuses on one of the most immediate needs of tenants: the securing of a fair lease. Small business owners are self-motivated and intelligent negotiators, but they are not necessarily lawyers, nor are they aware of their rights as a commercial tenant. The CLA program also includes pre-litigation services for small business owners experiencing harassment from their landlord. At a time when small business displacement threatens the very cultural fabric of our communities, we encourage the Council to continue to support this vitally important program as the trailblazing work being done in neighborhoods across the city will only serve to strengthen the position of commercial tenants and small businesses.

ANHD applauds the work of SBS' **Neighborhood Development Division**, specifically their **Avenue NYC Grant Program**. Avenue NYC finds funds community-based organizations in low- to moderate-income communities across the five boroughs to implement commercial revitalization activities that benefit businesses and local residents. This a much needed resource to allocate funding to the commercial corridors that are central to local neighborhoods commercial vitality.



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Finally, ANHD asks for the Council's continued support for the **Industrial Business Service Provider Network (IBSP)**. We applaud the Administration's past decision to baseline \$1.5 million for IBSPs as part of the Industrial Action Plan. However, this 3-year commitment ends this year. The IBSPs are community-based organizations that provide a critical resource for local industrial companies, helping them to operate, expand, and create jobs both inside our Industrial Business Zones (IBZ) and citywide. At a time when we've seen tremendous strides on industrial land use policy as a result of partnership and engagement across the city, it is crucial to the City's broader industrial policy that the IBSPs are able to keep operating. We urge the Administration to increase funding and re-baseline these vital services for another 3 years.

Thank you again for the opportunity to testify. We look forward to working with this committee and the Council on advancing these programs and initiatives to better support our City's small businesses.



COMMUNITY DEVELOPMENT PROJECT

TESTIMONY

Of

**The Community Development Project
at the Urban Justice Center**

**Preliminary Budget Hearing:
“New York City’s Worker Cooperative Business Development
Initiative: A Framework for Economic Equity”**

Presented to:

**New York City Council
Committee on Small Business
Hon. Mark Gjonaj, Chair
Friday, March 15, 2019**

Presented by:

**Julian M. Hill, Staff Attorney/ Pro Bono Coordinator
Community Development Project
Urban Justice Center**

**123 William St., 16th Floor
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Phone: (646) 459-3009 | Fax (212) 533-4598**

Introduction

Chairman Gjonaj, members of the Committee on Small Business –

Thank you for this opportunity to testify on (i) the social, political and moral benefits that worker cooperatives provide to their worker owners and our community and (ii) the critical nature of legal services and technical assistance, funded through the Worker Cooperative Business Development Initiative (“WCBDI”), for creating a New York City that centers equity, increases belonging and encourages democratically-run enterprises.

My name is Julian Hill, and I am a Staff Attorney at the Community Development Project, or CDP, at the Urban Justice Center. Among other things, CDP strengthens the impact of grassroots organizations in New York City’s low-income and other marginalized communities by providing legal support—we bring cases, publish community-driven research reports and provide technical assistance in support of racial, economic and social justice. For almost fifteen years CDP has collaborated with community organizations to help low-income New York City residents form worker-owned cooperative businesses.

Impact of WCBDI on our City and our Work

I love my job, leaving a lucrative Wall Street law firm job to do it, and the WCBDI makes it possible for me to be here today. I enjoy demystifying complicated legal concepts so that my brilliant, mostly Black and Brown, mostly women, often immigrant, worker owner clients can do what they do best. They trust us to ensure that their legal structure reflects their values of cooperation.

Woke Foods, a women-owned Dominican and Afro-Caribbean food service cooperative, has trusted CDP since 2017 to provide free legal services. Incubated by Green Worker Cooperatives in the Bronx, Woke Foods mixes a consciousness around food and social justice, sourcing food from ethical farms and paying employees well above minimum wage. CDP has provided Woke Foods with legal support around corporate governance, labor law as well as corporate structure.

High Mi Madre has also trusted us with their legal matters. A woman of color-owned cooperative in the legal cannabis-based oil space, High Mi Madre is not only empowering women, some of whom may be sisters, cousins, daughters and friends of folks overincarcerated in this and other city’s jails and prisons as a result of the War on Drugs, to be at the forefront of a burgeoning industry, but also doing so in a way that honors labor and thinks through how to advocate for space and a voice for the most marginalized. CDP provides High Mi Madre with legal support around formation, corporate governance and other issues.

Whether we’re talking about language justice, access to birth doulas, accessible housing for young mothers or any number of issues affecting among New York’s historically most marginalized communities, many of our clients are tackling difficult social and

political issues while strengthening NYC communities and improving the lives and incomes of community members.

This year CDP has already taken on over 15 worker cooperative clients, partnering with several cooperative incubators and developers, including the Center for Family Life, Green Worker Cooperatives and The ICA Group.

Importance of Further Support

As the worker cooperative ecosystem grows, so too does the need for legal services and other technical assistance for ongoing support to already existing worker cooperatives. Since starting at CDP last year, I've seen my worker cooperative client base increase to over 20 clients, each with at least a few distinct matters. As one of primarily two organizations providing free legal services to worker cooperatives, and understanding that private law firm attorneys are billed out at hundreds of dollars an hour, we understand how expensive and hard it can be to find other options for legal services that are able to provide such niche worker cooperative expertise.

Conclusion

As such, we respectfully request the Council continue to support worker cooperatives, and enhance the Worker Cooperative Business Development Initiative to \$4.85 million dollars. Once again, thank you for the opportunity to testify.



Asian Americans for Equality

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Testimony

By

Jennifer Sun and Thomas Yu

Co-Executive Directors at Asian Americans for Equality

Submitted to the

New York City Council Committee on Small Business

On The

**New York City Council Budget and Oversight Hearings on The Fiscal Year
2020 Preliminary Budget, The Preliminary Capital Plan for Fiscal Years
2020-2023, The Preliminary Ten-Year Capital Strategy for Fiscal Years 2020-
2029 and The Fiscal 2019 Preliminary Mayor's Management Report**

March 15, 2019

City Hall – Council Chambers

New York City

Thank you Chair Gjonaj and Small Business Committee Members Rivera, Ayala, Levin and Perkins for the opportunity to submit testify today.

For 45 years, Asian Americans for Equality (AAFE) has served Asian American, immigrant and low-income communities in New York City through affordable housing, social service, health, education and small business programs. Twenty-two years ago, AAFE founded an affiliate organization, Renaissance Economic Development Corporation (REDC), a U.S. Treasury-certified Community Development Financial Institution, to help immigrant and low-income communities in New York City access desperately needed capital for small business creation. REDC served a critical role in the aftermath of the September 11th terrorist attacks, establishing emergency loan funds and leading a comprehensive neighborhood planning initiative in Manhattan's Chinatown. Renaissance has continued to serve as a "first responder" in times of crisis across the city,



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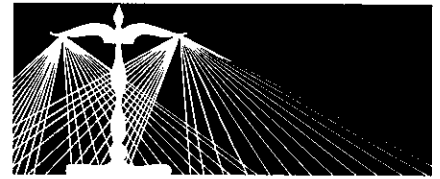


during such disasters as Hurricane Sandy, the devastating 2015 explosion on Second Avenue in Manhattan's East Village and last year's steam pipe explosion in Chelsea. Today, the organization is increasingly focused on expanding economic opportunity in immigrant and minority communities across the five boroughs.

After more than two decades of work in New York City, one thing is clear now more than ever: small businesses are the life-blood of immigrant communities. One of the fastest ways for immigrants to join the economy and improve their financial well-being is through entrepreneurship. Immigrants come to this country with a dream and an unyielding determination for hard work, but they face many obstacles. Succeeding without language access, non-conforming educational backgrounds, and lack of citizenship all while learning a new culture and navigating the unique rules and regulations of New York City is a daunting proposition. Somehow thousands do it every day without a single government resource. And while many overcome, so many more are not as lucky or are unable to find the tools to succeed. We have found that -- with a little helping hand from an organization that has cultural and linguistic compatibility -- these entrepreneurs sprout, blossom and thrive.

Under AAFE, Renaissance has worked intensely within the communities of Manhattan's Chinatown, Flushing, Sunset Park and Jackson Heights. Increasingly, we are serving businesses from across the five boroughs and we've increased our language capacity to eight languages, and our outreach to match. We have also found that what works for immigrant communities works for all under-served communities. Since its inception, Renaissance has deployed over \$50 million dollars to 1,200 small businesses across the city. 83% of these businesses are minority-run, 80% of the owners are LMI, and over half of these businesses are women-owned and operated. If you're looking to boost M/WBE contracting numbers in the city, we need to invest in these businesses.

We have been grateful to SBS and the City Council for your support over the years. Through individual discretionary awards and with our participation in the Initiative Chamber on the Go, we have given hundreds of immigrant and minority entrepreneurs the opportunity of a better life. This year we urge the Council to support continued funding -- and increases wherever possible -- to CBO's that work closely with immigrant small businesses. With all of the challenges that immigrants face, they need our support now more than ever. I thank you for your time and continued dedication to the many striving entrepreneurs across our city.



Brooklyn Legal Services Corporation A
SHRIVER TYLER MACCRATE CENTER FOR JUSTICE

Testimony before the New York City Council Committee on Small Business

Kenrick Ross

Manager, Small Business Support Project, Brooklyn Legal Services, Corporation A

March 15, 2019

Good afternoon. My name is Kenrick Ross and I am the Program Manager of the Commercial Lease Assistance Program. I thank Chair Gjonaj and Members of the committee, and Council, for the opportunity to highlight our work on behalf of lower-income small business owners and the critical need for this our program to be renewed for the long term, and expanded going forward.

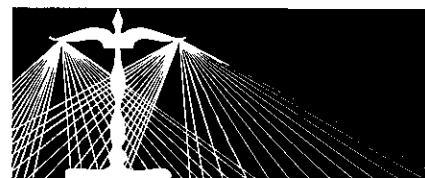
The CLA Program is funded by a grant from the Department of Small Business Services to provide free legal services on non-litigation commercial lease matters to lower-income small business owners across New York City. It is housed and managed by Brooklyn Legal Services Corporation A, and services are provided in partnership with Volunteers of Legal Service (VOLS) and the Community Development Project at the Urban Justice Center (CDP). In addition to myself, the CLA staff consists of five full-time attorneys, and our outreach is led by 14 community partners. Our scope of work includes but is not limited to lease review, amendment, assignment, and/or terminations; negotiating new and renewal leases; formalizing oral/unwritten agreements; and handling landlord harassment/breach of contract. Eligibility guidelines, priority areas, and performance metrics are in the handout attached.

The CLA has had a tremendous impact for small business owners who are least likely to have access to quality, affordable legal services, and most vulnerable to displacement, gentrification, and harassment. As we enter the final quarter of the initial 2-year, \$2.4 million grant, we have:

- *opened more than 400 cases, almost all of them on behalf of owners whose annual household income is below 500% of the Federal Poverty Guideline*
- *3/4 of our clients are business owners of color*
- *2/3 are immigrants*
- *1/2 are women*
- *1/3 do not speak English as their first language*

While we prioritize the densest, most rapidly changing commercial areas, our clients are everywhere, including 46 council districts.

building communities, ensuring opportunity, achieving justice



Brooklyn Legal Services Corporation A
SHRIVER TYLER MACCRATE CENTER FOR JUSTICE

I am here today to speak on two matters: the need for the CLA Program to have the stability and security of baseline funding, and the need to expand our scope of work. The CLA program was officially launched in February, 2018, and in just one year, we have nearly reached capacity. The fact that not only a new program, but a new service, has been able to gain this traction speaks to the wide, untapped need for commercial leasing legal services. Unlike most other free legal services provided to small business owners in the city, our services are open-ended- meaning we are with the client for the duration of the process, whether it is negotiating lease terms, deescalating a conflict, or settling disputes fairly. These proceedings can last weeks, if not months, and we are ethically obligated to see them through. While we welcome the 1-year extension of this grant by SBS, we stress the critical need for continuity of service in the form of a multiple-year commitment to this program. That will help us meet the need we have clearly identified, and assure current and future clients that help will be there for them until their case is resolved.

In serving 400 clients, we have also seen the legal needs that are critical to the well-being of their businesses and long-term success, that are beyond the scope of commercial leasing. For example, 1/5 of our small businesses are sole proprietorships, a status that makes them particularly vulnerable. For many of our clients, violations due to renovations, expansion, signage, etc. can be crippling expenses. And there is often a need for help with obtaining and negotiating small business loans. Assisting with entity formation, navigating regulations and addressing violations, and securing loans, would immensely add to the value of the program, and the sustainability of businesses. At Brooklyn A, we have successfully done these things for nonprofit clients for decades, so we have the expertise to ensure it would be done well for small business owners, were we funded to do so. And speaking of nonprofit businesses, we know that the pressures around commercial leasing faced by small nonprofits are equal to, if not greater than those faced by small businesses. Going forward, we would like to extend our commercial leasing services to a small number of small nonprofits and cultural spaces.

We are all aware that the challenges that small business owners face in New York City are myriad, and there is no one solution, or even a few. However, legal services is a necessary and critical tool in helping to ensure that small businesses remain a part of the vibrant commercial ecosystem of New York City neighborhoods, and the continuity of funding and expansion of services provided will greatly advance this goal.

Thank you for your time.

building communities, ensuring opportunity, achieving justice

THE COMMERCIAL LEASE ASSISTANCE PROGRAM

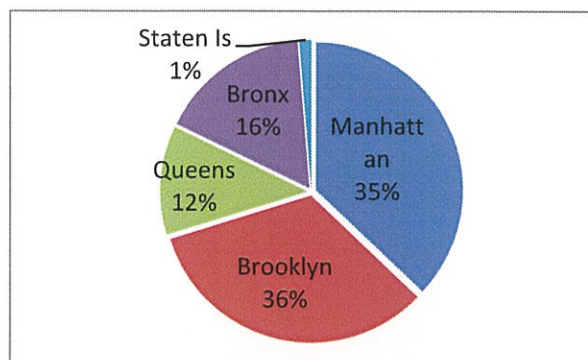
OUR IMPACT

Within the year from our official launch in February 2018 to our February 2019 monthly report, the CLA Program opened **400+ cases** in 46 City Council Districts

OUR CLIENTS

Minorities	77%
Immigrants	62%
Women	50%
ESL	32%

Minorities	%
Asian	16%
Black	24%
Hispanic	36%
Other	2%



OUR CASES

LEADING SECTORS

Types of Businesses	%
Retail Trade	30%
Accommodation/Food	26%
Other (Salon/Cleaner/Repair, etc.)	18%
Arts/Entertainment/Recreation	10%
Healthcare/Social Assistance	7%
Construction/Manufacturing	3%
Education Services	2%

CASE TYPES

Types of Cases	
Breach/Harassment	24%
Amend/Assign	8%
Lease Renewal	12%
Lease Termination	11%
Lease Review	14%
Oral/Unwritten	7%
New Lease	24%

KEY FINDINGS

1. We have performed well in serving small business owners that have, historically and continuously, lacked access to quality legal services: *3 in 4 businesses are minority-owned; two-thirds are immigrant-owned; half are owned by women*
2. Most of our clients own small retail establishments (restaurants, delis, cafés, cleaners), and a significant number also own wellness, cultural, and educational venues
3. We have served every borough, and in FY19 we will prioritize greater outreach to Queens and Staten Island by working in tandem with SBS, elected officials, chambers of commerce, and local CBOs.
4. Half of our cases involve us negotiating fairer leases for new entrepreneurs and defending and upholding the rights of small business owners.

For more information reach out to Meah Clay (tel: (718) 487-1311; email: mclay@bka.org) or Kenrick Ross (tel: (718) 487-2361; email: kross@bka.org).



Asian American Federation

Testimony for New York City Council Budget and Oversight Hearings on The Fiscal Year 2020 Preliminary Budget

Council Committee on Small Business
March 15, 2019

Thank you to the Committee on Small Business and Chair Gjonaj for giving us the opportunity to submit this testimony. My name is Eric Kim, Small Business Project Manager at the Asian American Federation (AAF). AAF's mission is to raise the influence and well-being of the pan-Asian American community through research, policy advocacy, public awareness, and organizational development. We also come to you today representing our network of over 60 member organizations supporting our community with their work in health & human services, education, economic development, civic participation, and social justice.

Asians are the fastest-growing population in New York City, representing at least 10% of the population in 26 out of 51 City Council districts. Their economic footprint is significant:

- The number of Asian-owned businesses in New York City grew faster than the overall number of businesses from 2002-2012.
- During the same period, Asian-owned businesses accounted for 31 percent of net new businesses; about half of net new economic activity¹ in New York City; and half of net new paid employment.
- Asian businesses are also an important source of jobs for new immigrants and provide an opportunity to learn skills specific to the American workplace.

While this important economic engine is celebrated by leaders and policy makers, there is a seeming lack of support and resources for them to open, sustain and thrive.

AAF's experience working with small business owners in Flushing confirms our research findings that supporting small business assistance programs with culturally relevant experience, language skills, and community relationships, is essential to sustaining the economic vitality of the immigrant-driven small business sector.

Union Street Small Business Assistance Program

AAF requests funding to keep open their Flushing office to serve the Queens small business community. AAF has been working in Flushing since 2017, supporting the small businesses along Union Street under an EDC grant. With the grant ending in summer 2019, AAF seeks continued funding to keep open the Flushing office to support small business owners resolve their myriad issues.

¹ defined as sales, receipts, or value of shipments

In our almost-two year tenure, we have met and assisted small business owners who face challenges due to language barriers, confusing government regulations, and a dearth of programming to address their specific needs. These challenges reflect the fact that self-employed Asians have lower median wages and earnings than their non-Asian counterparts, and are more likely to have limited English proficiency, and have yet to attain citizenship. Our experience has taught us that small businesses not just on Union Street, but throughout the City must overcome many obstacles such as commercial rent increases, lack of access to capital, and navigating government regulations.

AAF will continue to provide economic empowerment opportunities to Asian small business owners. Our business support model includes:

- **Marketing Assistance** - Creating promotional events such as beauty salon week, restaurant week, or giveaways to incentivize local customers to visit Union Street.
- **Social Media Education** - Helping business owners create accounts and understand the utility of social media, which many are currently lacking.
- **Community Engagement** - Installing banners, engaging businesses with local events such as Lunar New Year celebrations, helping with translation services when needed, and hosting information session with the city and state agencies.
- **Beautification** - Coordinating signage removal and power washing of streets and signs.
- **Media Coverage** - Collaborating with more than 10 local ethnic media outlets to cover the overall program and raise the profile of these events within the community.

The relationships we built up through our Flushing office enable us to organize and activate the small business community quickly when challenges arise. With the recent increase in enforcement of commercial signage regulations, we were able to quickly inform the small business owners about the rules and regulations being enforced and organize rallies and propose solutions for the City Council to adopt to help small businesses become compliant and reduce their burden of compliance. We are grateful for the City Council's quick response to the signage issue with the Awnings Act and look forward to working with the Council and the City to insure small businesses have compliant signage without onerous costs.

Using the findings in our small business report and our experiences providing marketing support to Union Street small businesses, AAF will work with the NYC Small Business Services (SBS), elected officials, and our members to design more comprehensive support services for Asian small businesses. We will explore strategies to ensure business owners are able to utilize the city's existing services by evaluating language access, promotion of programs within Asian communities, etc. In order to advance the next phase of our Union Street Project, we will work with SBS to conduct neighborhood tours to highlight small business needs and ensure that trainings are available to help small business owners understand and meet regulations.

As this programming grows and produces results, AAF hopes that we will be able to apply this model and lessons learned to other Asian business enclaves who need help keeping pace in this ever-evolving city.

Workforce Training

In addition to supporting our Asian small business owners, ensuring that Asian workers are well-equipped to seek employment is a major economic priority for our community. With half of Asian New Yorkers

struggling with LEP and one in four living in poverty, we need to provide programs that address their diverse needs and help them climb the economic ladder. Instead, funding of language training for non-English speakers has lagged in the face of increasing demand for services in the Asian community. Additionally, workforce training is often geared towards large employers, which ignores the reality of the labor needs and existing skills gap with regards to small business employees.

According to CMP, the leading workforce development expert in our community, the focus should be on language immersion to better prepare non-English speakers for the applied use of the language in everyday as well as work settings. Workforce funding should include short-term, “portable” skills, and soft skills training as an alternative to longer term career skills training. This allows for more flexibility to find suitable employment from a broader range of career options, better withstand changing industrial trends, and allow for a quicker skills acquisition time for those who cannot afford lengthy training period and need immediate employment.

Additionally, AAF seeks to help workers understand the specific requirement and protections for their industry. An example of this important work is our program with the State Department of Labor to conduct health and safety trainings for nail salon workers. New immigrant workers are often unaware of the specific health and safety requirements for their industry. Programs that target these workers need to be conducted by trusted voices from their community. Our program involved re-granting to Asian-led community-based organizations already working to organize nail-salon workers to help them conduct the much need health and safety trainings.

Recommendations

To strengthen this important piece of New York City’s economic engine, we request the Committee and City Council consider the following recommendations:

- Bring opportunities for compliance to the community. In the past, one-off compliance assistance days were offered in the neighborhoods to help small business owners deal with citations. Many of these owners have limited English and did not know where to go to deal with compliance issues. By bringing compliance officers and targeted language assistance to the community to deal with outstanding issues and working with trusted community groups, small business owners were able to both efficiently resolve those issues and learn about how to comply with regulations and avoid future citations.
- Decentralize small business assistance centers and have more staff in the field. For example, Flushing has one of the highest concentrations of Asian-owned businesses. Yet the closest small business assistance centers are in Jamaica and Astoria. Small business owners often do not have time to travel far to get assistance and will look to more local resources. Placing assistance programs in partnership with community groups leverages existing relationships with the business community and makes it more likely small businesses will seek out assistance.
- Fund programs like the Capital Access program as a way to incentivize loans to small businesses.
- Allocate resources to training programs like increasing the availability of adult ESOL programs to help both owners and workers gain language skills.
- Streamline MWBE certification process and improve outreach to immigrant businesses regarding the city’s small business procurement process. Increased access can be done via targeted vendor fairs, improved language access, and extended MWBE certification assistance.

- Programs need to be tailored to the specific needs of different Asian business communities and the industries they are in, including increasing the diversity of languages in which programming is offered.
- Build capacity to provide small business assistance in community-based organizations (CBOs) that have existing relationships between with Asian-owned business owners. While some of our member agencies have robust small business programs, many of the emerging Asian communities in New York City have been providing small business assistance in an ad hoc manner. CBOs are the first place Asian small business owners will go for help and the City needs to help ensure the CBOs are properly prepared to offer the assistance.

We hope to continue working with City Council to ensure that New York City remains a fair and equitable environment for the immigrant entrepreneurs who have held up this City for so many decades.

Thank you for this opportunity to present our recommendations.



TESTIMONY

WORKERS' JUSTICE PROJECT (WJP)

Presented to:

Committee of Small Business

Honorable Mark Gjonaj, Chair

Friday, March 15th, 2019

Prepared By:

Yolanda Gonzaga

WJP Member Leader

**Workers' Justice Project (WJP)
365 Broadway, Brooklyn, NY 11211**

- Spanish Version

Buenos días, honorable **Mark Gjonaj** y distinguidos miembros del Comité de Pequeños Negocios de la Ciudad de Nueva York. Mi nombre es Yolanda Gonzaga. Soy de México. Soy miembro del Proyecto de Justicia Laboral y me gustaría contarles un poco de mi historia. Primero, quiero agradecerles la oportunidad de testificar hoy.

Yo llegué aquí en este país en el año 1990. Yo llegué sin conocer nada y sin saber nada. Mi tía me metió a trabajar en casas. Trabajé interna por 8 años y me salí porque me di cuenta de los abusos de mi patrona me causaron muchos traumas por todos los malos tratos sufridos. También trabajé en un almacén por dos años pero también tuve que dejar ese trabajo por abusos del supervisor. Por estas situaciones de violencia empecé a sentirme con miedo e insegura, con mi autoestima muy baja y depresión.

En mi búsqueda de un trabajo digno para poder proveer un mejor futuro a mi hija, he vivido muchas necesidades y aguantado tantas humillaciones que ningún ser humano debe vivir en una ciudad con tanta riqueza y en una ciudad donde los inmigrantes somos los que hacemos los trabajo más difíciles y importantes, pero muy mal pagados.

Pero en mi lucha por buscar un trabajo digno en donde me respeten y me valoren, encontré el Proyecto Justicia Laboral. El cual con orgullo digo que mi centro porque soy miembro líder del Proyecto Justicia Laboral. Mi centro es como mi segundo hogar porque paso mas allí que en mi propia casa. Pero sobretodo porque es en donde encontrado el respaldo que necesito para sacar a mi familia adelante.

El Proyecto de Justicia Laboral me ha ayudado a empoderar, ayudándome a encontrar mi voz, a recuperar mi fuerza y recuperar mi auto estima. Por los distintos entrenamientos que me ha brindado el Proyecto de Justicia Laboral como los entrenamientos de liderazgo, OSHA 500, andamios, banderas y muchos más he logrado ser dueña y trabajadora de mi cooperativa de entrenadores de OSHA que se llama *United & Trained Workers* y ser la mejor modelo de madre para mi hija.

Hoy más que nunca dependemos de nuestro centro para seguir luchando, aprendiendo y contribuyendo a la economía de esta ciudad. Estoy aquí para pedir que en este nuevo año fiscal apoye a los centros de Jornaleros con 3.6 millones para que mi centro o otros centros puedan seguir existiendo y respaldando a mi comunidad.

En conclusión, gracias por la oportunidad de testificar. Esperamos que ustedes consideren los centro de Jornaleros y cooperativas como parte de sus prioridades durante el proceso de negociación presupuestaria de este año y esperamos seguir trabajando estrechamente con ustedes.

Gracias por otorgar el tiempo de expresarme y unase a nuestra lucha. Esperamos poder seguir contando con su apoyo para que podamos seguir cambiando las vidas de la gente como ha cambiado la mía. Gracias!

-English version-

Good morning, honorable Mark Gjonaj and distinguished members of the Small Business Committee of the City of New York. My name is Yolanda Gonzaga. I am from Mexico. I am a member of the Labor Justice Project and I would like to tell you a little part of my story. First, I want to thank you for the opportunity to testify today.

I came to this country in the year 1990. I arrived here without knowing anyone and without knowing anything. My aunt got me a job working for a house as a cleaner. I was a live-in housekeeper for eight years but had to go out because of the many abuses my boss put me through. These caused for me many traumas for all the mistreatment I had to endure. I also worked in a grocery store for two years but had to leave that job too because of direct abuses from my supervisor. Because of the ongoing abuse I experienced, I started to feel fear and insecurity; my self-esteem was low and I became very depressed.

In my search of a dignified job that allows me to provide a better life to my daughter, I have experienced a lot of necessities and endured so many humiliations that no human being should experience, at least not in the most wealthy city where immigrants are the ones who do the most difficult and important jobs, which are very poorly paid.

But in my struggle to find a dignified job where I could be respected and valued, I found the Workers Justice Project (WJP), an organization that I proudly call my center and be a member leader. My center is like my second home because I spend more there than in my own home. But above all because it is where I have found the support I need to support my family.

The Workers Justice Project helped me empower myself, helped me find my voice, helped me recover my strength, and helped me recover my self-esteem. For all the different trainings the center has offered me such as the leadership trainings, the OSHA 500 course, Scaffolding, Flagging and many others. Also, I have become a worker owner of a cooperative of OSHA trainers named United and Trainer Workers; and most important, be the best model of a mother that I can be for my daughter.

Today more than ever we depend on our center so we can continue fighting, learning and contributing to the economy of this city. I am here to request funding in the amount of 3.6 million for the day laborers like my center so we can continue to exist and support my community.

We hope you will consider the Day Laborers and Cooperatives as part of your priorities during this year's budget negotiation process and we look forward to continuing to work closely with you.

Thank you for giving me the time to express myself and I join us in our fight. We look forward to counting with your support so we can continue changing people's lives as mine has changed. Thank you.



**Center for
Family Life
in Sunset Park**

SCO Family of Services

TESTIMONY

Preliminary Budget Hearing:

**"New York City's Worker Cooperative Business Development Initiative: Worker Cooperatives –A
Successful Model for Small Businesses"**

Presented to

New York City Council, Committee on Small Business Services

Hon. Mark Gjonaj, Chair

Friday, March 15, 2019

Prepared By:

Maru Bautista, Director of Cooperative Development,
Center for Family Life/SCO Family of Services

Center for Family Life

443 39th St., Brooklyn, NY 11232

Phone: 718-633-4823

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. My name is Maru Bautista and I am the Director of Cooperative Development at the Center for Family Life.

Center for Family Life, a 40-year old social service organization based in Sunset Park, Brooklyn has been part of the Worker Cooperative Business Development Initiative since its inception in 2014. We are deeply grateful for the support our City Council has given to worker cooperative development and the impact it's had in fighting economic inequality in New York City. Center for Family Life (CFL), has been providing tailored and long-term cooperative development services to more than 20 worker cooperatives for the past 12 years. We have successfully developed a model that supports low-income New Yorkers in starting and growing worker cooperative businesses. The vast majority of those we work with are struggling to make ends meet, often with one, two, or more low wage jobs (typically in the domestic work sector, such as cleaning, day care, elder care, pet care, etc.). Many do not speak English, or do not speak English as a first language, and have limited levels of formal education. Worker-owners in cooperative businesses supported by CFL have been primarily first-generation immigrant, 76% of them are Spanish-speaking, 83% are women, 73% have high school education or less, and 72% of them have children. Small business ownership has provided them with a path to their family's economic stability, and provided them with the tools and supports to become even more active participants in their communities.

The Worker Cooperative Business Development Initiative is not only helping start worker cooperatives, but is at the forefront of business model innovation, with the goal of bringing worker ownership to scale. For example, conversions are a strategy that gives a pathway to retiring business owners to maintain their legacy, while giving workers job security by helping them to purchase the business in which they've been investing their labor. Center for Family Life's cooperative franchise model is taking key scaling pieces of the franchise world, such as shared branding and services, and making them accessible to communities in most need, by providing them with toolkits, guides and tailored supports. Through this new program, any New Yorker can have the opportunity to start their own worker-owned business and join a successful and recognizable brand. Through the Brightly® coop franchise, we want to transform the cleaning industry in this city. Up & Go (upandgo.coop), the first cooperative technology platform to be owned by worker cooperatives from communities of color, connects customers looking for residential or commercial cleaning, with worker cooperatives in the city. Up & Go is giving worker coops the ability to compete with other platforms that are not centered in workers' needs or their labor. These initiatives (among many others), are strengthening our small business community, and the services provided by all our partners are key to reaching the most vulnerable residents of our city.

There is growing interest in worker cooperatives from city agencies, academic and financial institutions, to community based organizations and New Yorkers themselves. We would like to see worker cooperative development as a fully integrated feature of what the most entrepreneurial city in the United States has to offer. We urge the City Council to increase the funding for this innovative Initiative from 3.9 Million in FY19, to 4.8 Million in FY20, and continue sending a strong message that New York City values and supports worker ownership, and that it is an essential part of the portfolio of the Department of Small Business Services.



917.946.2991

TESTIMONY

Preliminary Budget Hearing:

"New York City's Worker Cooperative Business Development Initiative:
Worker Cooperatives - A Successful Model for Small Business

Presented to

New York City Council, Committee on Small Business
Hon. Mark Gjonaj, Chair
Friday, March 15, 2019

Prepared By:

Adriana Mendoza, Founder, and Worker-Owner
Sunset Scholars

Sunset Scholars
204 25th Street
Brooklyn, NY 11232
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info@sunsetscholars.coop
https://sunsetscholars.coop/

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business.

My name is Adriana Mendoza and I am a worker owner at Sunset Scholars Tutoring Cooperative. We provide tutoring services in ESL and test-preparation support to young people up to middle school in Brooklyn and across the city.

I first heard about worker cooperatives through my mother, who is a worker-owner of Beyond Care, a worker cooperative that provides quality child care services and has successfully grown to about 40 members. Through my mother and the support of Center for Family Life, I learned about the cooperative model and its values and principles that put people and workers first while offering the opportunity to collectively create businesses and have a say in the workplace.

As a second generation cooperator I have worked to grow Sunset Scholars since 2015 and increase awareness about worker cooperatives in my community in Sunset Park. We are currently 10 members. All of us have grown tremendously, both personally and professionally, and we have all participated in leadership positions in the cooperative. We have gained many valuable business skills while providing quality and affordable tutoring for our community.

The Center for Family Life incubated our cooperative, assisted us with training on forming a cooperative and then provided us ongoing support through the years. Today we are fully independent from Center for Family Life. We banded together with other worker cooperatives in the area to form a local network called Alianza CUSP - Cooperatives United for Sunset Park. CUSP provides us the opportunity to pool our resources for back-office administration, space and other business needs, while keeping us connected to each other. We are also members of NYC NOWC - a citywide network.

Cooperatives are important business models for immigrants and for the community at large because they are local business, made up of local people and they are businesses that work in cooperation with one another. Sunset Scholars is unique because it is made up of youth, many of whom are immigrants and children of immigrants. Worker cooperatives are and should be promoted among young people across the city. I am also a new mother and look forward to the opportunities I now have to share what I have learned about cooperatives, cooperation, and being a business owner with my daughter.

We hope that the city continues its important support for worker cooperatives and the cooperative support organizations. In addition, I hope that the city considers contracting us and other cooperatives for services and products. The city could also support worker cooperatives in finding space to support and grow their operations, by making the MWBE certification more accessible to immigrant business owners and cooperatives with multiple owners, and could provide some tax relief from the Unincorporated Business Tax (UBT) to the LLC worker cooperatives, which are largely run and owned by low-income immigrant women. This could literally make the difference between survival and insolvency for these social businesses trying to offer competitive rates while paying living wages. I thank the City Council for this opportunity to testify and look forward to seeing more and more support from the city for economic democracy.



TESTIMONY

Preliminary Budget Hearing:

"New York City's Worker Cooperative Business Development Initiative:
Worker Cooperatives - A Successful Model for Small Business

Presented to

New York City Council, Committee on Small Business
Hon. Mark Gjonaj, Chair
Friday, March 15, 2019

Prepared By:

Saduf Syal, Coordinating Director
New York City Network of Worker Cooperatives (NYCNoWC)

New York City Network of Worker Cooperatives

495 Flatbush Ave. Suite 2 Brooklyn NY 11225

Phone: (212) 390-8178

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. On behalf of the 14 organizations that make up the Worker Cooperative Business Development Initiative (WCBDI), we want to thank you for this opportunity to testify on the economic and social opportunities inherent in the structure of worker cooperatives and to share the successes we have achieved through the implementation of the WCBDI as we look ahead to supporting the creation of more businesses, dignified jobs, and shared prosperity for New York City residents in FY 2020.

The New York City Network of Worker Cooperatives (NYC NoWC) is the local trade association representing worker cooperative businesses across New York City. The Worker Cooperative Business Development Initiative has served to bolster our sector, strengthening existing cooperative businesses and creating new ones, which are overwhelmingly immigrant and women owned. The Initiative Partners have collectively worked to create a comprehensive ecosystem of support for cooperative businesses that not only ensures the creation of new cooperatives in low income areas, but also the technical assistance needed to sustain businesses and create jobs, as well as the education and outreach needed for communities, interested entrepreneurs, and allied organizations.

We urge the City Council to support worker cooperatives, which provide higher wages and job stability to individual workers and their communities, by enhancing the initiative to \$4.85 million in FY20. WCBDI provides essential services to worker cooperatives and raises awareness about them across the five boroughs. At this point, I would like to acknowledge the continued support of Council Member Rosenthal and her advocacy for this initiative, as well as the support and partnership of SBS, our contracting agency which as worked closely with us over the years.

In FY 2015, New York City became the first city to support worker cooperative development in the country, through WCBDI. Since that time, it has inspired numerous other cities to do the same, from Madison, WI to most recently, Berkeley, CA. Today, in 2019, we have seen the first support for worker cooperatives on the Federal level as well, through the recent passage of the Main Street Employee Ownership Act, which recognizes worker cooperatives and can potentially provide them access to SBA loans. As the interest in worker cooperatives continues to grow locally and nationally, we hope that the city continues to play a role in supporting the New York City-based worker cooperatives and not-for-profit support organizations, such as The Working World (TWW), Green Worker Cooperatives (GWC), Center for Family Life (CFL), and the New York City Network of Worker Cooperatives (NYC NOWC), among others, who promote the development and expansion of worker cooperative businesses as a means to reduce poverty and income inequality in New York.

Worker cooperatives are values-driven small businesses whose core purpose is to benefit workers and their community. In contrast to traditional companies, employees at worker cooperatives participate in making and apportioning the profits, overseeing, and governing the organization using democratic practices. Workers own the majority of the equity in the business, and control the voting shares. The model has proven to be an effective tool for equity, creating and maintaining

sustainable, dignified jobs; generating wealth; improving the quality of life of workers; and promoting community and local economic development, particularly for people who lack access to business ownership or sustainable work options. Co-ops are more likely to give back to the local economy and local communities, because they are made up of local people who are from the community connected to communities. Cooperatives are models to prevent the harmful effects of gentrification on legacy businesses, offering a solution for workers to take up a business when an individual owner cannot continue to support it or is retiring. They are models for community - centered economic development that can and does lead to scale. They can solve big problems at industry level whether as start-ups that grow or as converted businesses. Finally, the creation of employment for some of our city's most disadvantaged citizens is built into the purpose of cooperatives.

Through the collective efforts of the Initiative and, as a result of the over \$11 million dollar investment by the City Council, the number of cooperatives in New York City has grown exponentially in five short years. In the first four fiscal years, the Initiative has led to approximately 130 cooperatives created in various stages of development and has created and preserved 631 jobs in all five boroughs. It has provided over 4,000+ technical assistance services to these and hundreds more businesses. This thriving cooperative business community will continue to grow; providing jobs that pay better wages and ensuring that the wealth generated by these new jobs remains in New York and is reinvested in the local economy.

The Initiative is requesting that the City Council increase its investment in the Worker Cooperative Business Development Initiative from \$3 million in FY19 to \$4.85 million in FY 20.

While the Initiative has made remarkable progress in the last five years, the infrastructure needed to support the growing cooperative community in New York needs to be expanded. With increased funding, the Initiative will not only continue to develop new cooperative businesses, with 38 new cooperatives set to launch this fiscal year, but foster an environment where such enterprises will thrive in the long term. With increased support, WCBDI will focus on more quality and tailored training for worker cooperatives, as well as support for more co-op support organizations, as we have seen growing interest from other CBOs, labor unions, academic institutions among others who are interested in bringing the cooperative model and co-op education to their communities. In addition, the Initiative will continue to have an impact on cooperative creation, on assistance provided, and jobs created with at least 148 new jobs set to be created in FY20.

We thank the City Council for the opportunity to testify. We hope that you will consider our budget priorities and recommendations during this year's budget negotiation process, and look forward to continue working closely with you to ensure hard working individuals and families have opportunities to achieve economic advancement and create shared prosperity for all New Yorkers.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/15/19

(PLEASE PRINT)

Name: Armando Gonzalez

Address: ANAD

I represent: Workers Justice Project

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/13/19

(PLEASE PRINT)

Name: Armando Moritz-Chapellequin

Address: _____

I represent: ANAD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/15/19

(PLEASE PRINT)

Name: Katie Parks

Address: 510 E 20th St

I represent: Business Outreach Center Network

Address: 85 S Oxford St

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: GREGG BISHOP

Address: 110 WILLIAM

I represent: SMALL BUSINESS SERVICES

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: JACKIE MALLON

Address: 110 WILLIAM

I represent: SMALL BUSINESS SERVICES

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 03/15/2019

(PLEASE PRINT)

Name: Eric Kim

Address: 37-17 Union St, 2nd Fl, Flushing, NY

I represent: Asian American Federation

Address: 120 Wall St, 9th, New York, NY

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 3/15/19

(PLEASE PRINT)

Name: ~~Kenrick~~ Kenrick Ross

Address: _____

I represent: Brooklyn Legal Services Corporation A

Address: 260 Broadway, Suite 2, Brooklyn, NY 11211

*Testifying
with Maru Bautista,
Julian Hill and
Adriana Mendoza*

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Saduf Syal

Address: 41-72 Lodge St Elmhurst, NY 11373

I represent: NYC-NOWC

Address: _____

*Testifying
with Saduf Syal,
Julian Hill, and
Adriana Mendoza*

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Maru Bautista

Address: _____

I represent: Center for Family Life

Address: _____

Testifying with
Maru Bahtista,
Saduf Syal &
Adriana
Mendoza

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Julian Hill

Address: _____

I represent: Urban Justice Center - UJC

Address: _____

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

Testifying with
Saduf Syal
Maru Bahtista &
Julian Hill

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Adriana Mendoza

Address: _____

I represent: Sunset Scholars

Address: _____

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