

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 15, 2019
Start: 1:10 p.m.
Recess: 3:32 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: MARK GJONAJ
Chairperson

COUNCIL MEMBERS: Bill Perkins
Helen Rosenthal
Daniel Dromm
Stephen T. Levin

A P P E A R A N C E S (CONTINUED)

Gregg Bishop, Commissioner
NYC Department of Small Business Services

Jacqueline Mallon, First Deputy Commissioner
NYC Department of Small Business Services

Julian Hill
Staff Attorney, Community Development Project

Adriana Mendoza
Worker-owner, Sunset Scholars Tutoring Cooperative

Maru Bautista
Directive of Cooperative Development, Center for
Family Life

Saduf Syal
Coordinating Director, NYC NOWC

Yolanda Gonzaga

Kenrick Ross
Project Manager of Commercial Assistance Program

Armando Moritz-Chapelliquen
Senior Development Economic Development Organizer,
Association for Neighborhood and Housing Development

Katie Parks
Business Outreach Center Network (BOC)

Eric Kim
Small Business Project Manager, Asian American
Federation

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2 [sound check, pause] [background
3 comments]

4 SERGEANT-AT-ARMS: Test. Test. This is
5 a test. Today's date is March 15th, 2019. This is a
6 committee hearing on small business being recorded by
7 Sergeant-At-Arms, Aaron Lewis (sp?).

8 [background comments]

9 CHAIRPERSON GJONAJ: Good afternoon,
10 everyone. Welcome to today's budget hearing. My
11 name is Mark Gjonaj and I am the Chair of Council's
12 Committee on small business services. We'll be
13 joined by our fellow councilmembers, as well, as the
14 hearing continues. Today we bring... We will be
15 hearing from the Department of Small Business
16 Services and their fiscal 2020 preliminary budget
17 that totals 174 million dollars. It is the counsel's
18 responsibility to ensure that the city budget is
19 fair, transparent and accountable to New Yorkers.
20 Hence, as chair of the Small Business Services, I
21 will continue to push for accountability and accuracy
22 and ensure that the budget reflects the needs and
23 interests of the city. The Department of Small
24 Business Services fiscal 2020 preliminary budget
25 totals 174 million with 29 million proposed for

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2 personal services to support 331 full-time employees.

3 The department fiscal 2020 preliminary budget is

4 110.9 million or 38.9 percent less than the fiscal

5 2019 adopted budget of 284.7 million. This decrease

6 is in SBS's budget reflections reflects the 110.5

7 million decline in this Other than Personal Services,

8 OTPS, budget and 395,000 decline in the Personal

9 Services, PS, budget. The rather larger declaim in

10 OTPS can be contributed to factors, including 39.8

11 million in New York City school bus grant program not

12 reflected in the budget and the reduction of funding

13 for initiatives such as Love Your Local, MWBE Bond

14 Security Fund, Career Pathways, construction safety

15 training, and Green Jobs Corps. I would like to...

16 I would like the commission to provide the reasons

17 for these decreases in a baseline budget and how the

18 programs will be impacted due to the decrease.

19 Additionally, I'd like the Commissioner to explain

20 the impending increase is that we may see in the

21 executive budget in May. One concern I have is the

22 headcount for the agency. The department's fiscal

23 2020 preliminary budget includes a net decrease of 45

24 full-time positions when compared to the fiscal 219

25 adopted budget. The decrease and budgeted headcount

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3 is due to the addition of nine new positions offset
4 by a decrease of 54 positions. Please explain the
5 decline in headcount on the services that will be
6 impacted by this decrease. Another big concern I
7 have is that the agency's actual headcount every
8 month in the fiscal 2019 has been over 101 less than
9 what is in the plan. I'd like to hear from SBS today
10 the reasons why the agency has such a high vacancy
11 rate and whether these funds can be redistributed to
12 programs where there is a need for expansion. I'd
13 like the Commissioner to share with us how the agency
14 plans to meet the Mayor's peg target of 6.24 percent
15 of the agency's budget which amounts to seven point
16 mill... 7.4 million dollars. Does the agency
17 believe that this is a realistic target? Did OMB
18 work with the agency to come up with this target?
19 How will this affect services provided by the agency?
20 It is essential that the budget that we adopt this
21 year is transparent, accountable, and reflective of
22 the priorities in the interests of the Council and
23 the people we represent. This hearing is a vital
24 part of the process and I expect that SBS will be
25 responsive to the questions and concerns of the
councilmembers. I look forward to an active

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2 engagement with the administration over the next few
3 months to ensure that the fiscal 2020 adopted budget
4 meets the goals the Council has set out. I'd like to
5 thank the Commissioner Bishop for coming here today
6 and testifying. I'd like to thank the SBS staff who
7 have consistently been responsive to our many
8 requests. We would not be able to analyze the city's
9 budget at such a detailed level without your
10 cooperation. So, thank you. I'll also like to thank
11 both my staff and the staff of the Finance Division,
12 Aliya Ali, and Crillian Francisco (sp?), for their
13 help in preparing this hearing. I would be remiss if
14 I didn't mention the terrible tragedy that occurred
15 in New Zealand. Our prayers are with New Zealand,
16 the citizens of New Zealand, their families, and all
17 the victims that were involved. Thank you.

18 [background noise, pause]

19 LEGAL COUNSEL: Please raise your right
20 hand if you're planning on testifying and repeat
21 after me. Do you affirm to tell the truth, the whole
22 truth, and nothing but the truth in your testimony
23 before the committee and to respond honestly to
24 councilmember questions?

25 COMMISSIONER BISHOP: I do.

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3 LEGAL COUNSEL: Cool. Please state your
4 name for the record, as well. Thank you.

5 [background comments] Go ahead.

6 COMMISSIONER BISHOP: Okay.

7 LEGAL COUNSEL: Yep.

8 COMMISSIONER BISHOP: Thank you very
9 much. Thank you for those words, Chair Gjonaj. It
10 is a very difficult time when we see hate having such
11 a force in this world. So, I really thank you for
12 acknowledging that. Good afternoon, Chair Gjonaj and
13 members of the committee on small business. My name
14 is Greg Bishop and I am the Commissioner for the
15 Department of Small Business Services. I am joined
16 by SBS First Deputy Commissioner, Jackie Mallon, and
17 my senior leadership team. At SBS, we aim to unlock
18 economic potential and create economic security for
19 all New Yorkers by connecting them to quality jobs,
20 building stronger businesses, and fostering thriving
21 neighborhoods across the five boroughs. Today I will
22 share updates on our efforts to achieve this aim over
23 the last year and, after my testimony, I am happy to
24 take your questions. First, I'd like to give you an
25 overview of our agency budget. From there, I will
discuss the services made possible through this

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3 funding. SBS fiscal year 20 preliminary budget is
4 174 million with a head count of 331 employees. The
5 preliminary budget includes pass-through funding that
6 is not spent or managed by SBS, but is used as a
7 conduit funding for other city entities. Of the 174
8 million, 34 percent, or 58.5 million is pass-through
9 funding which includes 21 million for the New York
10 City Economic Development Corporation, 21.1 million
11 for MIC and Company, and 14.9 million for Governors
12 Island and 1.4 million for the Brooklyn Navy Yard and
13 Development Corporation. The remaining 115.6 million
14 are 66 percent of the fiscal year 20 preliminary
15 budget is allocated for SBS's program. This funding
16 supports SBS's mission of economically empowering New
17 Yorkers through our employment, business, and
18 neighborhood services. As you know, small businesses
19 are essential to the local economy and character of
20 our neighborhoods. They provide opportunities for
21 individuals to strengthen their own economic security
22 and provide jobs for members of their communities.
23 SBS operates a network of seven MIC business solution
24 centers that provide free, high quality services to
25 help small businesses start, operate, and grow.
These centers are at the core of our business support

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2 strategy and offers services including access to
3 capital, MWB certification, navigating government
4 regulations, and workforce recruitment. In fiscal
5 year 2018, SBS's NYC business solution centers served
6 almost 10,000 unique businesses. To assist in
7 industrial manufacturing businesses, SBS contracts
8 with a nine industrial business service providers, or
9 IBSPs, and in fiscal year 2018, the IBSPs connected
10 more than 400 unique businesses to nearly 800
11 services. Earlier this week, SBS announced the
12 successful implementation of the 30 commitments that
13 compromise Small Business First, or SB1. SB1 is a
14 set of interagency policy and procedural changes that
15 reduce the regulatory burden on small businesses and
16 increase compliance. This includes the NYC business
17 portal, an online resource where business owners can
18 look up which license and permit their specific
19 business needs, view their interactions with the
20 city, and learn how to avoid common business
21 violations. Since the portal has launched last year,
22 more than 24,000 accounts have been created and we
23 have seen an average of 1.5 million unique visitors
24 per year. Through SB1, we continue to refine the
25 portal and provide direct support to business owners

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2 through the Compliance Advisors Program, which has
3 provided on-site compliance consultations to more
4 than 5000 businesses. The implementation of SB1's 30
5 commitments is expected to decrease the time to
6 complete common business transactions by 30 percent
7 and save businesses 15 million dollars annually.
8 Along with regulatory reform, SBS helps long-standing
9 businesses adapt to changing and market conditions.
10 Through the first round of the Love Your Local grant
11 program, SBS awarded up to 90,000 dollars in funding
12 to 20 small businesses. This initiative will enable
13 SBS to test and analyze creative business
14 interventions with the aim of expanding effective
15 solutions to other long-standing businesses across
16 the five boroughs. Since launching last year, a
17 commercial lease assistance program has provided
18 eligible businesses with legal services on topics
19 including lease negotiations, formalizing oral lease
20 agreements, and landlord harassment. The commercial
21 lease assistance program has shown strong performance
22 in serving small business owners that have
23 historically lacked access to quality services. Of
24 the more than 200 businesses served through the
25 program, 80 percent are minority owned, 60 percent

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2 are immigrant owned, and nearly half are owned by
3 women. This year, SBS strengthened the WE NYC
4 program by launching new initiatives to help address
5 the entrepreneurialship (sic) gender gap with a
6 focused on underserved communities. We Legal now
7 hosts clinics for women entrepreneurs to access free
8 one-on-one legal consultations. During these
9 consultations, attorneys provide business owners with
10 legal advice regarding business formation, draft and
11 bylaws, and contracts and other corporate legal
12 matters. WE NYC's new capital access program, We
13 Fund Growth, is a targeted loan program that makes
14 more than 5 million in capital accessible to women
15 entrepreneurs looking to grow their businesses.
16 Earlier this month, we also announced We Credit,
17 which helps women entrepreneurs access lines of
18 credit to start, grow, and sustain their businesses.
19 These new programs build on the existing mentor ship,
20 education, and community resources available by We
21 NYC, which has served more than 6000 New Yorkers
22 since its launch in 2015. We also play a key role in
23 the city's minority and women owned business
24 enterprise program, or the MWBE program. The MWBE
25 program aims to support the growth of minority owned

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2 businesses through the city procurement ensuring that
3 our vendors reflect the diversity of our city. SBS
4 certifies MWBEs, provides essential capacity building
5 services and offers technical assistance to help
6 MWBEs compete for and execute city contracts. To
7 date, SBS certified more than 7100 MWBEs, a nearly 96
8 percent increase since the start of the
9 administration. This year, SBS launched a new online
10 application portal to further streamline the
11 certification process and Mayor DiBlasio also
12 recently announced that the city is awarded more than
13 10 billion dollars to MWBEs since 2015. For
14 certified MWBEs, cash flow is often an issue for
15 companies working on city projects, so this
16 administration created a contract financing loan
17 fund. This 10 million dollar revolving fund let's
18 small businesses borrow up to 1 million dollars
19 capped at a three percent interest rate and, since
20 the fund launched in 2017, SBS has awarded loans
21 worth more than 9 million dollars, opening the door
22 to more than 52 million dollars in contracts for
23 small businesses. SBS also provides support for
24 every day New Yorkers to gain new skills and connect
25 to living wage jobs. We focus on growing sectors in

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2 our economy and prepare New Yorkers to seize those
3 opportunities. SBS assists jobseekers with a wide
4 range of skill levels through an inclusive growth
5 strategy that ensures community members, employers,
6 and education institutions are aligned to increase a
7 number of local residents prepared for and getting
8 good jobs. Through our network of 18 Workforce One
9 career centers, SBS connects jobseekers with
10 employment opportunities, industry informed
11 trainings, and a variety of candidate development
12 services, such as resume development, interview
13 preparation, and job-search workshops. Annually, we
14 connect more than 25,000 New Yorkers to employment
15 and nearly 4000 New Yorkers with the training needed
16 to advance their careers. Through our industry
17 partnerships, SBS works collaboratively within
18 industry to invest in local talent and the food
19 service, industrial, construction, healthcare, and
20 tech sectors. Examples of industry partnership
21 initiatives that are supported by our budget included
22 job quality programs and home healthcare and efforts
23 to bring top tech talent from the private industry to
24 teach at local community colleges. In addition,
25 employers from the industry partnerships are leading

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2 the charge to a new way to hire local talent.

3 Through Apprenticeship NYC, employer partners have hired
4 New Yorkers in fields as diverse as nursing, computer
5 numerical control or CNC machinists, and software and
6 mobile engineering and have provided them with the
7 training and mentoring needed to succeed. The
8 funding in SBS's budget will help spread and scale
9 this new way of identifying and onboarding talent
10 across New York City. For example, this budget will
11 support the expansion of our citywide nurse residency
12 to 24 local hospitals, providing 500 nurses with
13 year-long residencies that include specialized
14 training to bridge the gap between education and
15 practice. The citywide nurse residency launch this
16 year is the nation's first city led nurse residency
17 program. Using the industry knowledge gained from
18 our employers, SBS works with provider partners,
19 including tech boot camps and community-based
20 organizations to create industry informed training
21 across multiple career pathways. In the healthcare
22 sector, we support trainings for workers in home
23 healthcare, medical assisting, and nursing providing
24 a variety of entry points and advancement
25 opportunities for New Yorkers with different levels

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2 of experience. We work closely with neighborhood
3 community groups to recruit for all 28 trainings SBS
4 offers across the many sectors we focus on to ensure
5 local residents are able to easily access these
6 opportunities. In alignment and support of the
7 administrations vision of equity of opportunity, we
8 have developed bridge programs and tailored
9 employment services. For example, in partnership
10 with the mayor's office and emigrant affairs and
11 community-based organizations, we created unique
12 employment and training services tailored to the
13 strength and means of emigrant New Yorkers. These
14 programs include bilingual medical assisting,
15 training, branch to tack and preparation for nursing
16 for foreign trained nurses. Similarly, we work with
17 youth education partners including the department of
18 education career and technical education and District
19 79 to create a suite of employment and training
20 services to support young adults. These efforts
21 include co-location out of West Farms workforce one
22 career center in the Bronx that allows young adults
23 to combine work and school and access bridge programs
24 and transportation, healthcare, and tech. The
25 expertise of local on the ground partners is

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2 essential to addressing the unique challenges faced
3 by New York City's diverse neighborhoods and
4 businesses. SBS oversees the largest network of
5 business improvement districts in the country with 76
6 bids delivering more than 159 million dollars in
7 services to 93,000 businesses throughout the five
8 boroughs. SBS provides the bid network and other
9 community development organizations with technical
10 assistance, grant opportunities, and capacity
11 building services further strengthening the direct
12 connection between our agency and our local small
13 businesses. To increase the capacity of our
14 community partner network, SBS developed the
15 Neighborhood 360 fellows program. The neighborhood
16 360 fellows program pairs 10 paid full-time
17 neighborhood development specialists with 10
18 community-based organizations. The program not only
19 provides local organizations with dedicated support
20 for commercial revitalization projects, but also
21 builds a pipeline of diverse talent in the
22 neighborhood development field. SBS works with
23 community partners to identify the needs of the local
24 commercial district and plan target solutions through
25 our commercial district needs assessments, or CDNAs.

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2 CDMA's identified the strengths, challenges, and
3 opportunities within a commercial corridor to better
4 inform subsequent investments. To date, SBS has
5 worked with community partners to publish 10 CDMA's
6 and, in 2018, SBS shifted the focus of our Avenue NYC
7 grant program from project-based awards to long-term
8 commitments. Avenue NYC enables awardees to hire a
9 full-time program manager, conduct a CDMA, and
10 implement programming based on findings. Nine
11 additional CDMA's are being conducted through the
12 Avenue NYC grants awarded in 2018. To expand SBS
13 reach beyond our physical centers and networks of
14 community partners, we are committed to conduct an
15 outreach through the five boroughs to raise awareness
16 of our services among business owners and jobseekers.
17 Through this supportive counsel, our Chamber on the
18 Go initiative allows us to send trained business
19 specialists to canvas commercial quarters and connect
20 with business owners. Since launching in December in
21 2015, Chamber on the Go has reached almost 13,000
22 businesses directly at their doorsteps. In 2017, SBS
23 launched an additional outreach to a mobile outreach
24 unit. Equipped with classroom space and computers,
25 SBS staff used the mobile outreach unit to provide

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2 on-site referrals to our free business services, one-
3 on-one technical assistance with MWBE certification
4 applications, resources during an emergency, and
5 recruitment events to connect jobseekers with
6 employment opportunities. I look forward to the
7 continued partnership of the committee and building a
8 more vibrant and inclusive economy as we expand the
9 reach of SBS programs to more New Yorkers. Thank
10 you. And I would be happy to take your questions.

11 CHAIRPERSON GJONAJ: Thank you,
12 Commissioner. In my opening statement, I ask that
13 you provide the reasons for the decrease in the
14 baseline budget and how the programs will be impacted
15 due to the decrease.

16 COMMISSIONER BISHOP: There's a couple
17 questions that you had with construction safety. The
18 decrease in construction safety and also career
19 pathways. So, we are continuously working with OMB
20 to ensure that our services will continue.
21 Construction safety, if you may recall, last year we
22 were just building the program, so the decreases that
23 you're seeing is that, as we have advanced in terms
24 of designing and building the program, some of those
25 dollars have shifted over to OTPS because we are

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2 working with community partners to actually do the
3 work that we had originally assumed internally that
4 city employees would do.

5 CHAIRPERSON GJONAJ: Thank you,
6 Commissioner. I just want to note that we've also
7 been joined my Councilmember Perkins. As part of the
8 FY 19 budget process, OMB directed your agency to
9 find 2 percent efficiency savings. At last year's
10 hearings, you are not prepared to outline where those
11 cuts would be. Did you, and fact, implement those 2
12 percent savings last year? If so, can you please
13 elaborate on where you made those cuts? [background
14 comments]

15 COMMISSIONER BISHOP: Yeah. So there's a
16 combination of either existent programs and PS
17 savings. I don't know if we have the exact areas,
18 but typically when we are looking for savings, it's
19 either we take a broad stroke in terms of evenly cut
20 all the different programs or we take it in specific
21 areas where either we are launching a program and
22 we're not able to launch exactly on time, so there is
23 savings there that we're able to realize.

24 CHAIRPERSON GJONAJ: This is real
25 important because, as you look to make deeper pay

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2 cuts, this will give us insight on your agency's
3 priorities and it's quite concerning on the depth of
4 these cuts. Can you elaborate at all on where you
5 project these cuts may be coming from? What areas
6 they may hit and how you'll plan on meeting the
7 objectives?

8 COMMISSIONER BISHOP: So, right now, we
9 have a mandatory savings target of 6.2 million. So,
10 for FY 19, it's 3 percent and then, in FY 20, it's 2
11 percent. So, we are working closely with OMB to
12 identify those areas. The guiding principle is that
13 we are looking not to either lay off employees or cut
14 any of our services. So a typical example may be
15 looking at a contract and if we have a particular
16 program, that program may not recur in every two
17 weeks. It could be every three weeks. So, we're
18 trying to figure out ways that we do not have an
19 actual substantial impact on service delivery. So as
20 of right now, we are in ongoing communications with
21 OMB. We have not identified specific areas as of
22 yet.

23 CHAIRPERSON GJONAJ: It's interesting
24 that you noted that the cuts will not be to staff,
25 which then opens up the question to the headcount.

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2 In fiscal 2019, the agency's actual headcount every
3 month has over 100 less than what is in the plan.

4 Why do you have such high vacancies and, if you're
5 not looking to cut from the staff budget, why are we
6 over projecting the needs of staff?

7 COMMISSIONER BISHOP: Right. I do
8 understand and we had a very...

9 CHAIRPERSON GJONAJ: Passionate.

10 COMMISSIONER BISHOP: [laughter] deep
11 conversation about vacancy and, on paper, even though
12 you see trending about 100 vacancies, as you know, we
13 at SBS usually either have new programs coming on and
14 if we have a vacancy, we will fill it, but in another
15 area we will have a vacancy. So even though the
16 numbers look the same in the natural churn of hiring
17 and people finding new opportunities, that number has
18 been, and I will admit, stubbornly at 100. But some
19 of that is because we have inherited new programs
20 that we now have to hire into. Some of it is that
21 we've had individuals who have taken other
22 opportunities. You know, I won't tell you that the
23 100 that you saw the last time we were together, they
24 are not the same people. So, what we have done is,
25 you know, beefed up internally in my human resources

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2 department. We've hired an additional recruiter to
3 actually how us with, you know, figuring out
4 different ways we can find individuals to fill these
5 positions. We do have about 26 or 27 hires that are
6 waiting for budget approval, so we are making
7 progress, but we are looking at other ways that we
8 can increase our recruiting ability to actually fill
9 these positions. But, again, when we get new
10 programs, and increases the vacancy count because we
11 have to then build out that program.

12 CHAIRPERSON GJONAJ: Thank you for that,
13 Commissioner, but the percentage is nearly 30 percent
14 of your total staff that you indicate are needed for
15 SBS to operate all of its programs. How many
16 positions do you currently have that are vacant of
17 the projected? And I'm guessing were going to use
18 the headcount of 360. Is that the number that we are
19 looking at now?

20 COMMISSIONER BISHOP: Yeah. So, if you
21 are using 360, which is December... So, for
22 December, the vacant... The vacant count is 101,
23 but, in January, you know, we are at 96 and then, if
24 you subtract the offer letters that we have out right
25 now, which is about 26 out of that 96, that brings it

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2 down to about 70 and we're making progress there.

3 So, you know, again, I totally understand, you know,

4 on paper how it looks and, you know, I will remind

5 you, as well, you know, one of the things that we are

6 struggling with is that we do have a robust economy.

7 We are a small agency. Sometimes our salaries are

8 not as competitive. I see this in, for example,

9 different areas where we have individuals who, you

10 know, have worked with us for a little bit and they

11 get a better offer in the private sector or add

12 another larger agency. So it's a constant battle in

13 terms of when we make the hires and keeping people on

14 board and then, you know, ensuring that they stay on.

15 CHAIRPERSON GJONAJ: Can you please

16 elaborate a little bit for us when you say salaries;

17 that you are not as competitive as the open market?

18 What are the base salaries that many of these

19 positions fall in? Are we looking at minimum wage

20 paying jobs or...

21 COMMISSIONER BISHOP: Oh, no. No.

22 [background comments] For example, so a program

23 manager average salary at SBS is probably about 50 to

24 60,000, whereas at a larger agency it could 80 to

25 90,000. So, you know, we have a pay disparity only

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2 because of our size, but there are things that we do.

3 We try to recruit in different areas. For example,

4 looking at different colleges, you know, I try to

5 poach from other agencies by talking about, not

6 necessarily the salary, but the culture of SBS and

7 how...

8 CHAIRPERSON GJONAJ: The privilege of

9 working with you.

10 COMMISSIONER BISHOP: [laughter] And how

11 great [laughter] it is to work at SBS.

12 CHAIRPERSON GJONAJ: Things like that.

13 COMMISSIONER BISHOP: But I do recognize

14 that, throughout last year, we have really tried to

15 bring this number down. I think, on paper even

16 though, as of January, there's 96 vacancies, with the

17 offer letters, we're down to about 70 and we have a

18 new recruiter who is actively working on, you know,

19 finding us individuals who would actually be eligible

20 and want to work for the city.

21 CHAIRPERSON GJONAJ: So, I'm glad

22 that you have taken the initiative hiring a

23 recruiter. How else are you promoting these

24 opportunities and careers? How are we getting the

25 word out there?

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2 COMMISSIONER BISHOP: So, there's a
3 number of ways we are doing it. So, we actually
4 created a new recruiting video, for example. So, at
5 our last all staff meeting, we had staff members talk
6 about why it is so great to work at SBS. So that we
7 will use on social media. We have already posted it
8 on LinkedIn. We do have relationships, like I said,
9 with colleges and universities and other different
10 job sites. Word of mouth is probably the best way
11 possible to actually help us with getting these
12 positions filled. But also in some of these
13 positions, they are highly technical. For example,
14 we have a waterfront unit and that waterfront unit
15 requires a special skill set where it is a very
16 competitive market. So, similar to other agencies
17 that have a highly specialized skilled positions, we
18 are competing in those areas, so it's taking us
19 longer to find and fill those particular positions.

20 CHAIRPERSON GJONAJ: And I believe that
21 you are also posting these positions at your website?

22 COMMISSIONER BISHOP: Oh, yeah. That was
23 a given. Yes. So, we have it not only in our
24 website, but also on the New York City careers
25 website. And we also work with the office of

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2 appointments for the higher level positions, so we
3 have extended the net as wide as possible, but,
4 again, even though those numbers have been stubborn
5 for the past fiscal year, they don't represent the
6 same position. So we would fill one position and
7 then, in another area, another position would get
8 vacated and then we would go through the whole cycle
9 again in terms of recruiting, making the offer, and
10 getting the approval and then having the person
11 start.

12 CHAIRPERSON GJONAJ: So, roughly, the
13 underrated is you have 25 now that are going through
14 the process of being hired and--

15 COMMISSIONER BISHOP: [interposing]
16 Correct.

17 CHAIRPERSON GJONAJ: so that's done.
18 They're still listing the positions as available.
19 So, back to the 100 with the 25--

20 COMMISSIONER BISHOP: [interposing]
21 Right.

22 CHAIRPERSON GJONAJ: that are currently
23 going through the hiring stages.

24 COMMISSIONER BISHOP: Correct. So, right
25 now, as of January, I know that in your packet you

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2 have 101, which is at the end of December, but as of
3 the end of January, we have 96 vacancies and, of
4 those 96, we have 25 [background comments] 25 in--

5 CHAIRPERSON GJONAJ: [interposing]
6 Pipeline.

7 COMMISSIONER BISHOP: We've made offers
8 to those, so they're going through the process of
9 getting hired. So, that's where we're at with--

10 CHAIRPERSON GJONAJ: 96 with the offers
11 until they accept and--

12 COMMISSIONER BISHOP: Correct. And I
13 will not remove [background comments]-- They've
14 already accepted, but until they actually start, we
15 won't remove the job opening because in case
16 something happens, and it's happened before where
17 someone else gets a counteroffer and they rescind the
18 acceptance. We need to, as quickly as possible, get
19 another person in.

20 CHAIRPERSON GJONAJ: Great. And this
21 leads me to my question. On the careers that are
22 posted on your own website, you don't have 100
23 positions or 96 or 71, for that matter, being posted.
24 You have less than 40 positions stated as available.
25 [background comments]

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2 COMMISSIONER BISHOP: Well, I would have
3 to take a look at that. There should be-- it all
4 depends on where we are in the process, so I would
5 have to take a look at what's up on the website and
6 what we have available.

7 CHAIRPERSON GJONAJ: Right. Real-time
8 information, I'm sure, is going to help fill those
9 much-needed vacancies so we can operate at an optimal
10 level. They gave for the explanations, Commissioner.
11 I don't know if-- Great. So, my colleague will
12 think about the questions and I get to continue
13 questioning on the budget. Elaborate between this
14 preliminary budget and what you expect to happen and
15 a final adopted budget. Do you foresee the
16 restorations of the large cuts coming into play? Are
17 we going to be getting a much different budget to
18 adopt in the near future?

19 COMMISSIONER BISHOP: I will say that
20 the-- as you know, the school bus grant program,
21 typically, we work with in this case because we have
22 a new state legislature. We are hoping that this may
23 be the last year that this program will be-- SBS
24 will be working as a fiscal conduit for this program,
25 but that usually happens later on, in terms of

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2 negotiations. And then, of course, Career Pathways,
3 which funds a lot of the work that I talked about in
4 the workforce. We are working with OMB to ensure the
5 continuation of those services.

6 CHAIRPERSON GJONAJ: So, why not put
7 them in the preliminary budget now? Why do we leave
8 them as add-ons for later on knowing that-- or hoping
9 that they'll be--

10 COMMISSIONER BISHOP: So those two
11 particular areas-- I think, you know, for workforce,
12 there's a larger conversation happening citywide
13 about our investments and workforce. Those
14 conversations are ongoing, which is why we couldn't
15 put it in the preliminary. And then the school bus
16 grant program, again, it goes back to depending on
17 what happens at the state level and if the law-- if
18 the employee protections are passed on the state
19 level, then it allows DOE to do whatever they need to
20 do and then they don't need those programs. So
21 there's the uncertainty that prevents it from being
22 in the preliminary budget and, during preliminary and
23 exec., there's these conversations that have been,
24 which is why you see, sometimes, the changes.

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2 CHAIRPERSON GJONAJ: So we have-- I
3 know that we are going to have some type of additions
4 added to the preliminary budget. At the same time,
5 the peg of 6.24 percent, which is a concern-- How
6 realistic is your peg expectations, first of all? Do
7 you think you will achieve the percentage that OMB
8 has set for you?

9 COMMISSIONER BISHOP: I don't know if-- I
10 mean, I have to say, when you say do you think, I
11 mean, OMB has told us we need to. So, we are now
12 working with them to figure out where we are going to
13 find those savings and we work very closely with OMB.
14 So, looking at different programs and, you know,
15 where-- Again, the guiding principal is focus on
16 ensuring the continuity of services without impacting
17 the delivery of those services. So, we will, you
18 know, work closely with OMB to figure out the best
19 places to make those cuts, but--

20 CHAIRPERSON GJONAJ: [interposing]
21 Have-- Have--

22 COMMISSIONER BISHOP: As far as I know,
23 we-- You know, OMB has said that we need to
24 demonstrate these savings.

25

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2 CHAIRPERSON GJONAJ: Have you had those
3 conversations yet or is that in the future?

4 COMMISSIONER BISHOP: The conversation is
5 ongoing. So, we started the conversations and we are
6 continuously working with OMB to identify the areas
7 where we can realize those savings.

8 CHAIRPERSON GJONAJ: Maybe I can help
9 you. What is the budget a line item for SB1?

10 COMMISSIONER BISHOP: Uh...

11 CHAIRPERSON GJONAJ: I don't think
12 you're going to find it in the report.

13 JACKIE MALLON: No. It's going to be
14 here. Hold on.

15 COMMISSIONER BISHOP: It's a combination
16 of a couple initiatives.

17 CHAIRPERSON GJONAJ: Hmmmm...

18 JACKIE MALLON: Is that familiar?

19 CHAIRPERSON GJONAJ: My recollection is
20 it's 9 million dollars a year. Okay.

21 COMMISSIONER BISHOP: So SB1 is
22 combination, remember, so part of it is our center
23 [background comments] out in Queens, part of it is
24 working with designing and building the portal. So,

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2 it's about 400 and-- What's that? 420,000 a year?

3 [background comments]

4 CHAIRPERSON GJONAJ: I thought the SB1
5 budget line item was about 9 million because it was
6 for three years. 27 million over the last three
7 years and now on year four. And, according to the.
8 We had in 2018, we had these passionate discussions
9 about the SB1 factor and the intent of the program.

10 COMMISSIONER BISHOP: Uh-hm.

11 CHAIRPERSON GJONAJ: And maybe we should
12 start with that first, while they look into the
13 numbers. So can you remind us all what the purpose
14 of SB1 was?

15 COMMISSIONER BISHOP: Right. So, and
16 that will explain why the numbers have lowered
17 because it-- Initially, SB1 was a cross agency
18 effort to make it easier for businesses not only to
19 be in compliance with the regulatory environment, but
20 also to make it more transparent. So there is a
21 number of initiatives that came out of it, about 30,
22 and we recently announced that we just completed
23 them. Part of the funding was actually to build out
24 the portal that we talked about. So, the portal is
25 not just a website that a business owner well just

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2 log in, but that portal took aggregated information
3 from all the different agencies-- you know, from 311,
4 from fire, from health. Every single agency, DCA,
5 any single agency that interacts with the business,
6 we were able to take data that we thought was
7 important for businesses to be aware of and make it
8 more transparent. So that involved a very large
9 technology effort. That also, in the budget,
10 included building and testing out a one-stop center.
11 So having the ability for business owners to go to
12 just one facility. So, that's our center out in
13 Sutphin Boulevard in Queens. So where we are co-
14 located with the Department of Consumer Affairs where
15 business owners will go in and get just-- if they
16 have a license issue, they can go to DCA. If they
17 have an issue with another agency, they can come to
18 us and all the services are delivered there. So,
19 now, the ongoing dollars that we have in our budget
20 is to actually maintain that particular center and
21 then continuing looking at other areas and refining
22 the portal. For example, if you log into the portal
23 and, you know, there is ongoing enhancements and that
24 is what the budget well be responsible for.

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2 CHAIRPERSON GJONAJ: All right. Thank
3 you for that, Commissioner. So, aside from the
4 portal, I believe the objective was to also identify
5 rules and regulations at the-- 30 points on helping
6 businesses comply with city regulations and we've
7 been going back-and-forth for the last year. The
8 only numbers that I have from the red tape commission
9 were 6000 rules and regulations. On numerous
10 occasions, SBS said it's 5300 and I said, okay. I'm
11 willing to accept any number. Shows show me the
12 actual rules and regulations and, I believe, that was
13 part of SB1's intention. And I believe point No. 9
14 was to employ small business compliance advisers to
15 help businesses follow the rules, right? So I think
16 the problem was how do we help them follow the rules,
17 if we don't even know what the rules are because we
18 don't even know what the real number is, let alone
19 which rules and regulations our businesses comply
20 with.

21 COMMISSIONER BISHOP: We do.

22 CHAIRPERSON GJONAJ: Oh, we do?

23 COMMISSIONER BISHOP: So, I would say
24 that-- And I know we go back and forth. So, I guess
25 that the-- what we could offer up is if the portal

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2 is not in, I guess-- in a way-- if it doesn't
3 display the roles and regs in a way that you think
4 would be helpful to small businesses, well, we are
5 certainly open to figure out ways we can improve it.
6 What we did was use a data driven approach. So we
7 worked with all the regulatory agencies and also the
8 mayor's office of operations. We looked at the most
9 common violations that businesses are-- were being
10 fined for and then we created a couple tools.

11 One, we created a most common violation
12 tool. So, again, I just want to reiterate the 5000--
13 the numbers that you have, those are just rules.
14 Some of them affect businesses. Some of them don't
15 affect businesses. Obviously, you know that if you
16 are opening up a retail store, the rules and licenses
17 that you are responsible for is totally different
18 than if you were opening up an auto repair shop or if
19 you were dealing with hazardous chemicals or if you
20 are just opening up a parlor. There's different
21 rules that are associated with that. So, the 5000
22 doesn't apply to just that retail store. That retail
23 store may just have like one or two.

24 CHAIRPERSON GJONAJ: Right.

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2 COMMISSIONER BISHOP: What we have done
3 is that, if you are thinking about opening up a
4 retail store, you will actually tell us what you
5 planted to in that premises and then the tool will
6 actually tell you, of the city rules, what you are
7 responsible for. We also, if you have a store in
8 existence, for example a restaurant, etc., you can go
9 to the most common violation and see areas, because
10 we have that data, where most businesses have been
11 fined. So, again we have gone back and forth a
12 couple times about this. I would be happy to work
13 with your team. You know, go through the portal and
14 you tell us where-- you, because the reason why we
15 built the portal the way we did is when we went out,
16 initially, we talked to businesses. We talked to
17 over 600 business owners and the points that we came
18 up with was what the business owners said was the
19 most common issues that they were struggling with.
20 So, we can do that again and actually talk to
21 business owners, have them use the portal and have
22 them tell us what they think so far. Some of the
23 enhancements we've made already from hearing, for
24 example restaurants, not knowing how many 311
25 violations they've-- complaints they've had until

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2 they go in front of a committee board to get their
3 liquor license renewed. So that information is now
4 in the portal, as an example. So we just want to,
5 you know, maybe figure out ways we can make it easier
6 for you and the business community-- we think the
7 business community appreciates the portal, but if it
8 is not the list that you are looking for, then we are
9 happy to figure out a way to help you get that list.

10 CHAIRPERSON GJONAJ: Great. So I'll
11 just make one point, then. And I truly understand
12 that you are taking this in the approach of based on
13 the information of the violations that are most
14 frequent. So, typically, I believe it is the top 10
15 violations agency or department and doesn't account
16 for number 11, which brings me to something that is
17 interesting because, for the last year, we fought
18 tooth and nail. When SB1 was launched, there were 50
19 calls that came in on 311 on complaints of illegal
20 store signs.

21 COMMISSIONER BISHOP: Hm.

22 CHAIRPERSON GJONAJ: As of close of SB1,
23 there are 400 calls that were coming in through 311
24 on illegal store signs, yet SB1 never picked up on
25 this incredible violation and weaponizing of 311 that

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2 was targeting businesses which ranged from 5000 to
3 20,000 per store. How could we miss that? This is
4 what SB1 was created to do.

5 COMMISSIONER BISHOP: So, I would say--
6 so SB1 was created to address the most common
7 violations. I think in that particular area-- In
8 that particular scenario, I would say that, you know,
9 we worked with the local community. So, this
10 weaponizing of 311 started happening in one of the
11 Councilmember Espinal's district, so we started the
12 conversation about what was happening and I would say
13 that, you know, we worked really hard with our
14 partner agency, we worked really hard with you, and
15 with other councilmembers. Part of it was working
16 with council to reduce the fines that you-- that
17 council actually created for particular violations.
18 I still hope that we can continue working to--
19 because one of the things that we found out from this
20 area was the cost of installing signs because I know
21 a lot of small businesses complained not only about
22 the fines, but also about the cost of hiring a
23 licensed sign installer, and it is my hope that we
24 would actually be able to increase the pool of
25 licensed sign installers to decrease that cost and I

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2 still hope that we can do that. But, you know, SB1,
3 again, when we look at the most common violations, we
4 look at things that the agencies normally look for
5 when they are doing an inspection. This line issue
6 was driven by complaints, so, you know, one of the
7 things that we need to have, again, as I said with
8 the restaurants, when you have a complaint against
9 your premise through 311, that will bring-- a
10 business owner can log and actually see what that
11 looks like.

12 CHAIRPERSON GJONAJ: Thank you,
13 Commissioner. But the-- I believe the number was in
14 the thousands of violations that were issued for
15 illegal signs. There was media attention on this.
16 We had hearings on this. I kept screaming out from
17 the rooftops that we were destroying solve businesses
18 and forcing them out of business, yet, using the
19 portal, I don't see that--

20 COMMISSIONER BISHOP: [interposing]
21 Right.

22 CHAIRPERSON GJONAJ: awning requirement
23 anywhere posted which impacts every single business,
24 specifically-- and I just want to reiterate on
25 something that you mentioned, that this was a Council

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2 policy. This administration removed the moratorium
3 that was placed on the signage law and, for a number
4 years, was benefited from that thousands of
5 violations that were issued. It took us nine months
6 of pressure to have the moratorium restored, a piece
7 of legislation introduced that allows us to go back
8 and revisit the law to bring it up to code, up to--
9 The code dates back to 1961 and I'll remind you it
10 said no one in 12 square foot of print which didn't
11 leave room for a phone number, let alone describing
12 the products or the services that you are offering to
13 the public. But in the regulation that-- In the
14 bill that we just put into law, there's a budget to
15 fulfill SBS's commitment to the now awning law, which
16 I don't even see in your preliminary budget. You
17 were supposed to be refunding some of these stores
18 for the violations they received over the last year,
19 I believe, and that's not reflected in your budget
20 and I don't see it even listed anywhere on SBS's
21 website where those business owners that were
22 subjected to these ridiculous fines for an outdated
23 law that shouldn't be on the books--

24 COMMISSIONER BISHOP: Uh-hm.

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2 CHAIRPERSON GJONAJ: For them to get
3 that information. So it's just not about making sure
4 that we inform our small businesses of the laws that
5 they're supposed to be compliant with, but also
6 something as significant as this bill which put
7 business out of business, that they could recoup and
8 get a refund--

9 JACKIE MALLON: Uh-hm.

10 CHAIRPERSON GJONAJ: For those
11 violations.

12 COMMISSIONER BISHOP: So, a couple
13 things. The refund of-- And I-- The refund to
14 businesses would not be in our budget. If anything,
15 it would be in the budget of the agency that actually
16 is collecting the fines. I would say that, you know,
17 I hear you in terms of-- [background comments] Oh,
18 sorry. How did-- You know, SB1, there's-- At our
19 agency, we have a combination of things, right?
20 We're using technology. We're using people. So,
21 when we found out about the sign issue, this was more
22 of an-- And we've had conversation-- I had a
23 conversation with you. I had a conversation with my
24 counterparts on the administration side. We were
25 working to address this issue.

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2 CHAIRPERSON GJONAJ: Uh-hm.

3 COMMISSIONER BISHOP: You know, the
4 portal would help a business understand what exactly
5 the interactions they would have with the city. We
6 on-- You know, when we look at the most common
7 violations, this is an anomaly and, in an anomaly, we
8 wouldn't depend on technology to address. We would
9 actually address with actual people and that's what
10 we did. We had individuals-- We had our compliance
11 advisors go out and actually understand what the
12 problem was, help business owners understand what
13 they need. We talked to our counterparts at the
14 Department of buildings. We talked to Council. We
15 talked to the Deputy Mayor of Operations and I think
16 that is how we were able to get to the point where we
17 were able to pass some legislation to address that
18 particular issue. My reference to Council was only
19 on the schedule, the fine schedule, for the different
20 types of violations--

21 CHAIRPERSON GJONAJ: [interposing] But--

22 COMMISSIONER BISHOP: that was--

23 CHAIRPERSON GJONAJ: [interposing] But
24 it's also awareness and education that SB1 and what
25 SBS is supposed to be offering.

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2 COMMISSIONER BISHOP: So, our compliance
3 advisors, when we go out, we do help business owners
4 understand what they are responsible for. For
5 example, if you are a restaurant, what with the
6 health department look for? If you are a retail
7 store, what would consumer affairs look for? You
8 know, what would sanitation look for? So having
9 awareness of the fact-- And I think we do have on
10 our portal, if you have a sign, you need to have a
11 permit for that sign. I think the challenge is that
12 there is some business owners, as you know, who
13 inherited the business and that sign has been up for
14 like 30 years.

15 CHAIRPERSON GJONAJ: 50.

16 COMMISSION BISHOP: Or 50 years. And
17 that is something-- You know, it would have to be
18 like an in person-- We'd have to do with it on a
19 case-by-case basis. I don't think technology would
20 have solved that problem at all.

21 CHAIRPERSON GJONAJ: using technology,
22 we could've made our business owners, and especially
23 those that received these the fines, aware that they
24 are entitled to a refund for those fines. And I view
25 the role-- And I know, Commissioner, that you are

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2 just as passionate as I am about small businesses and
3 it's about making sure that the facts change and
4 those facts are 50 percent of small businesses close
5 within the first five years. They never make it to
6 year five and, if you are in the restaurant industry,
7 it's 80 percent don't make it to year five. That is
8 not in our best interest.

9 COMMISSIONER BISHOP: No. It's-- And I
10 totally agree. I mean, you know, a lot of why our
11 core services-- When we talk about our NYC business
12 solutions, a lot of our core services focus on
13 ensuring that that business owners-- that business
14 owner has all the tools necessary to succeed. So,
15 from everything from understanding how to grow that
16 business, so we have classes on how to fast track,
17 for example, growth venture where you learn how to
18 grow your business, how to use technology to, you
19 know-- because consumer behavior is changing. Using
20 a restaurant as an example, if you open up a
21 restaurant and you don't have it online presence,
22 you're almost destined to fail because everyone is
23 using some type of app to buy food from that
24 restaurant. So we have programs where business
25 owners understand how to display their business

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2 online, how to actually have e-commerce, you know,
3 and also how to actually recruit the right set of
4 employees. You know, we work closely with business
5 owners to also understand-- For example, Love Your
6 Local is a good example, where one of the findings we
7 found with the first batch of business is that we did
8 an analysis, a lot of business owners did not have an
9 inventory management system. So, that-- Because we
10 know that information now going forward, as we get
11 the results from the other analysis, that will help
12 us adapt and innovate our education offerings to make
13 sure that we are offering the tools necessary for
14 businesses to be successful now.

15 CHAIRPERSON GJONAJ: Commissioner, thank
16 you. I'm looking-- I don't want to make this all
17 about that, but I just-- That's a fine example of
18 where SB1 has plenty of room to improve. [background
19 comments] And while we're looking at help them keep
20 their door open and making sure that their
21 compliance, for some of these businesses, just
22 receiving a notice or being informed that you-- you
23 may have paid between 5000 and 20,000 and we're
24 sending you check, could make difference whether or
25 not they stay in business. It can give them the

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2 oxygen that they need, so badly need, today so they
3 can be there tomorrow. But you brought up an
4 interesting point as we continue. Last year's budget
5 hearing, you acknowledged that the SBS was developing
6 a survey on businesses that was required by law to be
7 reported to the Council by 2019. It's 2019, yet, we
8 haven't seen that report and, last year, I offered in
9 advance-- I wanted to be a part of this survey, the
10 questions and engage to make sure that it was a well-
11 balanced survey. Can you update us on where we are?

12 COMMISSIONER BISHOP: So, from my
13 understanding, the piece of legislation-- It's 2019,
14 but we are in the-- It's not due like the first
15 quarter of 2019. We are in the process of collecting
16 data as we speak, so as far as I know, we are on
17 target to actually meet the delivery date.

18 CHAIRPERSON GJONAJ: I never saw the
19 survey itself. I asked for a number of times. We
20 said-- Before the survey was to be sent out and
21 used, I was informed that, yes, Mark, you will have a
22 chance to review it and make sure that there is
23 nothing that we missed or if you have any input. I
24 would really have loved to have been a part of that
25 process. Remember, I come from the small business

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2 world and just, perhaps, I could have added something
3 to it. I never was afforded the opportunity as small
4 business chair.

5 COMMISSIONER BISHOP: So, I'm not sure
6 what happened there, but, I mean, we'd be happy to
7 share with you that survey and, again, as we compile
8 the report, we can-- Because that's just one of the
9 areas we, you know-- Whether we survey or we have
10 focus groups to finalize the report, we'd be happy to
11 work with you on that.

12 CHAIRPERSON GJONAJ: So, just from
13 looking at last year's budget hearing and the
14 response from you was:

15 So, as you know, the law requires us to
16 have that report to the Council by 2019. We are in
17 the process of actually creating the questions and
18 we'll-- blank, blank, blank-- we're on the-- on
19 track to get that survey out by the summer or fall.

20 Made requests. Haven't seen. Haven't
21 heard. We're in 2019 and I'm still not aware--

22 COMMISSIONER BISHOP: [interposing]
23 Right.

24 CHAIRPERSON GJONAJ: If the survey was
25 ever sent out and I--

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2 COMMISSIONER BISHOP: [interposing] Wha--

3 CHAIRPERSON GJONAJ: [interposing] It's

4 disturbing. That's all. I'm bring another point of

5 how, collectively, we can work much better and I

6 truly see you and view you as a partner and I

7 believe--

8 COMMISSIONER BISHOP: I do the same.

9 CHAIRPERSON GJONAJ: that you see me as

10 a partner. I am truly afraid for the future of small

11 businesses, in particular micro businesses, and you

12 highlighted this. With consumer behavior change is,

13 competition from box stores and chains, and the

14 Internet which is undermine most business models, on

15 top of the forced mandates of minimum wage increases,

16 paid family leave, healthcare coverages, sick leave,

17 on top of the real estate tax increases, the burdens

18 of water and sewer rate increases, as well as the

19 rules and regulations, we have really stacked the

20 deck against small business in every manner possible

21 and that chokehold is continuing. There is no

22 intention of letting up. In this budget alone, there

23 is a 1.8 billion dollar increase in real estate taxes

24 that will be passed on each one of those small

25 businesses. Commissioner, I know your passion and

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2 this budget is really important that we offer the
3 programs and the services that our small businesses
4 need and this has nothing to do with profits, agreed.
5 For them to remain open-- Once that business is
6 closed and we see the vacancy increases throughout
7 our commercial corridors-- And I want to go on the
8 record for this one. We see a disaster ahead when it
9 comes to the number of vacancies and it has nothing
10 to do with rent. The amount of square footage of
11 vacancies that will be coming up in the near future
12 from just two industries, we are going to have a
13 tremendous impact on all of our commercial corridors.
14 That is the banking industry that occupies every
15 corner of almost every commercial corridor or in New
16 York City. When they go full online service only
17 with kiosks for local branches or the safety
18 deposit-- or just drop boxes where there is no need
19 for the brick-and-mortar service and of it, that is
20 going to be a tremendous amount of commercial space
21 that will be vacant and we know this is coming
22 because banks are selling their properties and
23 leasing them back. That's the exit strategy. So,
24 they are not holding on to brick-and-mortar. And
25 then, also, the real estate industry. The

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2 brokerages. The little real estate brokers that we
3 see throughout the city and throughout the boroughs,
4 their model is now going Internet-based. There is no
5 need for a local brokerage. Online using a smart
6 phone, you can find an apartment, an investment
7 property, or a home. Most of the homeowners are
8 listing to save on the commissions directly. This is
9 going to have a tremendous impact and we are not
10 there. We are being reactive instead of proactive.
11 And, even when we are reactive, we are not fully
12 delivering on the needs of these small businesses.
13 We talk a good game, we under deliver, and we
14 continue to create a burden on our small businesses.
15 Folks, when that-- When our small businesses leave
16 the city-- and when I say leave, they close
17 permanently because they can't survive-- that tax
18 base is going to be a huge tax burden on the rest of
19 the residents of New York City and there is only one
20 other place that we can get that tax revenue.
21 Additional real estate tax increases which will be
22 placed on homeowners, making New York City less
23 affordable. And I am tying this and as a chain and I
24 don't have a magic ball. I wish I did. But the
25 writing is on the wall and either we start getting

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2 aggressive and come up with out-of-the-box thinking
3 before we head down that irreversible path. I don't
4 know if there's anything you want to add to that
5 statement, but--

6 COMMISSIONER BISHOP: No. I would just
7 say that, you know, as the environment changes, we
8 are looking at ways to make smart investments. If
9 you look at our Commercial District Needs
10 Assessments, that is one of the ways we're looking at
11 commercial corridors. We're trying to become smarter
12 by getting data that actually can help us inform new
13 services that we may or-- that we may need to
14 deploy. We need to understand better-- For example,
15 you listed two sectors. The banking sector and real
16 estate-- the brokerage sector, but we need to
17 understand, and different corridors, what is the
18 reason why properties are vacant and figure out if
19 there's... If there is something that we, as an
20 agency, can do to help those particular commercial
21 corridors attract better retail. You know, one of
22 the things our studies do-- we do is we understand
23 what the community means. So, if the community
24 needs, for example, restaurants where they can sit
25 down and set up just take out restaurants, then that

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2 is now a strategy in terms of how we can help a local
3 organization attract those particular types of
4 businesses to that commercial core door. So, if
5 there is an increase in vacancies because a sector is
6 collapsing, I think we are well poised to actually
7 understand what we can do to attract different types
8 of businesses to that vacant space. And we have
9 talked about vacancy as an issue and getting better
10 data and I believe we're going to have a conversation
11 about this on Monday with a set of bills that we are
12 going to be discussing.

13 CHAIRPERSON GJONAJ: Commissioner, to
14 the point, you know, first, we want to try to keep
15 those commercial stores there. Right? Those mom
16 and pop businesses. Before we start looking at what
17 can replace them, we need to find out what we can do
18 to make sure their doors stay open.

19 COMMISSIONER BISHOP: Oh, absolutely.

20 CHAIRPERSON GJONAJ: Yeah.

21 COMMISSIONER BISHOP: And I was just
22 referring to the-- your--

23 CHAIRPERSON GJONAJ: Uh-hm.

24 COMMISSIONER BISHOP: comment about
25 increasing vacancies because the banking industry is

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2 going to move out of brick-and-mortar. But my goal
3 has always been-- and the agency's goal has always
4 been to help businesses, not only start, but expand
5 and operate.

6 CHAIRPERSON GJONAJ: Right.

7 COMMISSIONER BISHOP: We want businesses
8 to be successful in New York City. It pains me when
9 businesses close because that is not just a business
10 that has closed, that someone's [background comments]
11 dream. That's someone's, you know, life savings that
12 is now, you know-- it's gone. And we are trying to
13 do everything possible to figure that out. When we
14 talked to business owners, yes, I agree with you.
15 Rent is not the only issue, but we do hear about the
16 rent. We hear about the cost of running that
17 business, and that could be any number of things,
18 which is why we focus on trying to work the
19 regulatory burden on businesses. Try to enhance the
20 transparency so businesses can be in compliance. You
21 know, we are looking at and will be happy to continue
22 talking to you, about other areas. There is, you
23 know, serious cost and healthcare, for example,
24 actually, if you have a business with employees.
25 There is issues with their back office understanding

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2 your expenses and your income and figuring out ways
3 where you can make smart investments. This is why we
4 are innovating with programs like Love Your Local
5 where we are making an investment, and a huge
6 investment, to help long-standing businesses. And
7 based on the data that we are going to get back from
8 that program, that will help us inform whether or
9 not, for example, the workshops that we offer is the
10 right type of workshops and we can actually adjust
11 their. So, I don't think we're under-delivering. I
12 think we are trying to innovate in a changing
13 marketplace, because we know that technology has
14 totally changed the game for small businesses.

15 CHAIRPERSON GJONAJ: Commissioner, I
16 couldn't agree with you more, but we certainly can do
17 more and I just want to touch back on this. Four
18 years in the works, roughly 36 million dollars, and
19 80 rules have been modified. And even if we used the
20 number of 5300 that comes from SBS, ADD modified.
21 Which probably means they were made worse, not
22 better. But I-- Let's not go back to that because
23 it's a never ending conversation. And, on top of
24 that, as Commissioner of SBS, when you hear real
25 estate taxes, which are already high and impacting

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2 many small businesses, are projected to rise by 1.8
3 billion dollars alone in this budget on top of the
4 1.5 billion in the last budget, is in fact
5 concerning? Do you, at that point, express your
6 concerns to our partners, the rest of the
7 government--

8 COMMISSIONER BISHOP: So--

9 CHAIRPERSON GJONAJ: as to what are we
10 actually doing here?

11 COMMISSIONER BISHOP: So I would say that
12 you're making a correlation that, when taxes
13 increase, real estate taxes increase, and immediately
14 goes through to the small business.

15 CHAIRPERSON GJONAJ: It does.

16 COMMISSIONER BISHOP: It all depends on
17 the lease that the small business has which--

18 CHAIRPERSON GJONAJ: [interposing] I
19 come from that world.

20 COMMISSIONER BISHOP: I know. So, then
21 you know that, in some cases, if you are a savvy
22 enough small business and you have an attorney, you
23 can negotiate whether or not you get a triple net
24 lease or the landlord is actually responsible for the
25 property tax and you just have a fixed amount. That

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2 is why we made investments on ensuring that small
3 businesses have access to attorneys to actually
4 negotiate their leases. That is-- I mean, we are
5 looking at ways where we can prevent that from
6 happening in terms of, you know, making sure that our
7 small businesses are equipped with the same tools
8 that the larger businesses have and the chains have,
9 because our mom and pops, and in my testimony I
10 mentioned, that almost 80 percent of the individuals
11 that have used our commercial lease assistance are
12 not only small businesses, but they are minority
13 businesses, they are immigrant owned, and they are
14 women. So we want to make sure that we continue
15 these investments and we will continue the program
16 and get the small businesses the help that they need
17 at the very beginning so they're better prepared. We
18 have businesses that have used our commercial lease
19 assistance program that have been savvy enough to now
20 have negotiated, with the help of an attorney, for
21 example, a 10 year lease. Which, as you know, if you
22 have a 10 year lease, you have the stability and you
23 are able to plan out your business much better than
24 if you have a five year lease. So, yes. We want to
25 make sure that we provide all the tools necessary.

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2 CHAIRPERSON GJONAJ: Commissioner, the
3 facts that I know are that 50 percent of businesses
4 never make it to year five. Year 10 is something
5 that they would strive for. Whether the landlord in
6 the leaves doesn't pass on to the tenant directly or
7 waits until the leaves is a renewed so the pa-- The
8 real estate tax increases will be passed on to those
9 tenants in one form or another. It's simple. Said
10 the charges landlord, landlord will charge a tenant.
11 Tenant pays the landlord, landlord will pay the city.
12 The real culprit is the city in this regard.
13 Landlords are going to recoup the increased in real
14 estate taxes either with that tenant or the next
15 tenant or on an annual basis as those increases come
16 in and I just want to reiterate that we owe it to
17 those small businesses to be a voice for them. That
18 when budget negotiations are going on and revenue is
19 being discussed, to say they can't afford it. This
20 cannot be sustainable. These are real dollars that
21 are impacting our small businesses and they just
22 can't do it. Compete, give to their employees, and
23 gave in the form of taxation. That's where it-- And
24 I'm glad that you opened up the next segue into MWBEs
25 because these small businesses are minority and women

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2 owned businesses. The same group that we are trying
3 to protect. The same group that we are trying to get
4 creative so that they can be-- Today's employees
5 become tomorrow's employers and, once they become
6 employers, but there is a sustainable path for them
7 to have their business models continue.

8 COMMISSIONER BISHOP: Uh-hm.

9 CHAIRPERSON GJONAJ: We're nowhere near
10 the goal of 30 percent, am I correct, that we
11 aggressively set for our WMBE businesses? Our
12 certifications are up. That's great. And probably
13 on par with projections or above projections from
14 last year, but they are still not getting to work.
15 They are still not reaping the benefits of their
16 certification.

17 COMMISSIONER BISHOP: So, I would
18 disagree with the-- I mean, so we are on-- The
19 mayor set a goal of 30 percent by, I believe, 2021.
20 So, since the start of this administration, you know,
21 we started at a number of like three percent. Last
22 fiscal year we were about 20 percent. So, clearly,
23 we are making progress and really good progress. We
24 have increased the amount of discretion that agencies
25 have and we have seen a tremendous amount of increase

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2 in new businesses-- in new contracts and contracts
3 to new MWBEs. I will not ever say that we are and
4 have been, you know-- We have more work to do. We
5 know this. You know, we have more to do in terms of
6 getting more black and Hispanic firms into the pool
7 and, when they get into the pool, get-- have them
8 compete. We've made investments at SBS because the
9 Deputy Mayor, Phil Thompson, has said it's not good
10 enough to just get them certified, and we agree, but
11 we also need to help them build the capacity to win
12 contracts. So we have made investments and technical
13 assistance, so it businesses have never bid on a
14 contract, we have that service and we have seen the
15 results. The companies that use our services-- Of
16 the MWBEs that have one contracts, over two thirds of
17 those companies utilized and SBS service. So we know
18 that is a MWBE use of services, they are in a better
19 position to actually win. So, we continue to do as
20 much as possible. We talked about our-- the
21 contract financing program which opened up about 15
22 million dollars of opportunities for businesses that
23 used our contract financing and we continue working
24 with the MWBE community to identify other barriers.
25 There's barriers and insurance. You know, insurance

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2 is a big-- A barrier for, especially, MWBEs and
3 construction and acquiring low-cost insurance. We
4 are working closely with the office of MWBE to
5 address other areas on the legislator's side to
6 ensure that we continue the progress that we had
7 made.

8 CHAIRPERSON GJONAJ: Thank you. Can you
9 update us on the disparity study?

10 COMMISSIONER BISHOP: The disparity study
11 is complete, which is why, and the budget, you see
12 the decrease. We are right now in the process on the
13 legislative side in terms of implementing the new
14 numbers in the disparity study to local law one.

15 CHAIRPERSON GJONAJ: We haven't seen the
16 findings thus far. They haven't been made available.

17 COMMISSIONER BISHOP: The findings is
18 published.

19 JACKIE MALLON: Yeah. They are.

20 COMMISSIONER BISHOP: Yeah. The findings
21 have been published. We can send you a copy.

22 JACKIE MALLON: It's online. Yes.

23 COMMISSIONER BISHOP: Or you can go on
24 our-- Well, we'll send you a copy.

25

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2 CHAIRPERSON GJONAJ: That would be
3 great.

4 COMMISSIONER BISHOP: Yep.

5 CHAIRPERSON GJONAJ: Um... [background
6 comments] Have you had a time to digest the findings
7 and implement an approach as to how we are going to
8 increase the MWBE, not only certification, but meet
9 their needs to continue to strive for that 30 person
10 by--

11 COMMISSIONER BISHOP: [interposing] Yes.
12 So, I would say that the-- You know, the findings
13 found disparity across all groups. Part of what
14 we're doing to address those disparity-- Where the
15 city has discretion, the city actually performs
16 really well. And what means is where agency has a
17 lot of flexibility, they can do that. Uh, we that in
18 the different purchasing areas with our micro
19 purchases where the city actually exceeds 30 percent
20 utilization. There are areas, for example, in prime
21 contracting, where the city has to be competitive is
22 where we are working with our partners at the office
23 of MWBE to change some state regulations to help us,
24 for example, build mentorship programs similar to--
25 and I'm not sure if you're familiar with the MTA or

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2 the School Construction Authority. They have
3 mentorship programs that a lot of MWBEs have been
4 successful in. We, the city, are not allowed to do
5 programs in exactly that way, so we are working with,
6 you know, our partners on the state level to give us
7 the flexibility to actually build out mentorship
8 programs. So that way someone can go to-- not only
9 graduate from our mentorship classes which would
10 focus on the back office, but then go immediately
11 into work which is how the MTA and the SCA is
12 structured. Right now, someone graduates, they still
13 have to bid on that-- in that particular work at the
14 different agencies. But where we have discretion, we
15 are doing really well.

16 CHAIRPERSON GJONAJ: Okay.

17 COMMISSIONER BISHOP: Um...

18 CHAIRPERSON GJONAJ: This particular
19 budget doesn't break down-- The preliminary budget
20 doesn't break down the MBWE allocations, the dollar
21 amount. We're not even sure if they are going to be
22 restored. It doesn't reflect in here if they're
23 going to be subject to cuts or if there is going to
24 be increase in the budget to make sure that we offer
25 these services.

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2 JACKIE MALLON: The changes to the
3 disparity study--

4 COMMISSIONER BISHOP: [interposing] So--

5 JACKIE MALLON: Over.

6 COMMISSIONER BISHOP: The only change was
7 the disparity study. The mayor... The mayor has
8 been clear that the MWBE program is a priority. We
9 do not expect-- anticipate any change in services.
10 As a matter of fact, again, as I said, we are pushing
11 to [background comments] ensure that we have more
12 flexibility on the discretion side.

13 CHAIRPERSON GJONAJ: So, in the budget
14 it doesn't to find the bond or surety and the loan
15 programs for that--

16 COMMISSIONER BISHOP: [interposing] So
17 the--

18 CHAIRPERSON GJONAJ: MWBEs?

19 COMMISSIONER BISHOP: Right. So, the
20 bond fund is-- So we have two funds. One is the
21 contract financing fund which, again, I said we'd--
22 You know, we've been able to connect businesses to
23 about 9 million dollars. The bond surety fund is a
24 program where, if you are a construction company that
25 has won a contract and you are looking to get a

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2 ⁶⁵ bond-- As you know, getting a bond you need to put
3 up a certain amount of cash reserves. That fund is
4 available for a MWBE. Our utilization and that
5 program has been low, particularly because some MWBEs
6 actually may not need it or, you know, the specific
7 MWBEs may not have one that particular contract, so
8 some of the decrease that you've seen is our
9 adjustment based on utilization of that program.

10 CHAIRPERSON GJONAJ: And is there
11 anything else that you can update on the MWBE aspect
12 of this preliminary budget where you would like to
13 see some emphasis and additional support and not from
14 the council, please. We do more than our fair share.
15 [laughter]

16 COMMISSIONER BISHOP: I think, you know--
17 Again, we are focused on increasing our ability to--
18 In terms of discretion across the city, city
19 agencies. You know, we are focused a lot on
20 particular targets for exactly-- For example, you
21 know, black women-owned companies, we are being very
22 strategic in terms of how we get more black women-
23 owned companies certified, so we are working with
24 different groups, etc. We're looking at what we're
25 doing for Hispanic-owned companies. So, again, we

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2 ⁶⁶
3 are looking to make sure that we certify the right
4 number of companies. Where we are working and, you
5 know, with your help-- And when I say your help, not
6 necessarily a law of the council, but working with
7 our state partners is really where we have seen
8 successes where the city has discretion. So, our
9 discretionary level right now is 150,000, so any
10 agency that is looking to make a purchase, they can
11 bid out to three MWBEs. But we may be interested in
12 actually raising the level because the state-- Other
13 state agencies are over 200,000 in the MTA is about
14 400,000. So that is definitely something that we are
15 looking at.

16 CHAIRPERSON GJONAJ: I have a
17 suggestion. What if we add to the MWBEs the ability
18 to certify realtors that will help identify real
19 estate in the city that they're looking to acquire,
20 lease, rent. That may go a long way because I don't
21 think real estate realtors are certified as WMBEs and
22 they're not offered in the procurement process or the
23 opportunity to participate in the 30 percent--

24 COMMISSIONER BISHOP: Uh--

25 CHAIRPERSON GJONAJ: Threshold that we
set.

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2 COMMISSIONER BISHOP: So, for sure, I
3 know we have real estate companies that are
4 certified. I think the opportunities-- Because I,
5 you know, we spend anywhere between 15 and 18 billion
6 dollars in services, so the specific opportunities,
7 whether it is through DCAS or through any of the
8 other agencies that deal with real estate assets. I
9 don't have like the concrete number of what that
10 opportunity looks like. That certainly they're--
11 When we certify firms, one of the things we do is we
12 have a team that will do an analysis of, not only
13 their profile to make sure that their codes are
14 correct, but then we also look at where we see the...
15 their particular opportunities in other agencies and
16 make that connection to help them with their business
17 development. So we can certify real estate
18 companies, I just don't know the number of, for
19 example, contracts that real estate company is won in
20 the last fiscal year, but we can certainly give that
21 to you and, if there is-- If you would like for us
22 to do a specific outreach to real estate companies,
23 we would be more than happy to work with you on that.

24 CHAIRPERSON GJONAJ: That's one of those
25 segments that I mentioned that I am fearful of the

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2 future and the amount of square footage that they
3 currently occupy and the only way I can see helping
4 them, especially the minority and women owned
5 business as that many of these real estate brokers
6 are, this may be a good way for us to get into a--
7 to open up that segway.

8 COMMISSIONER BISHOP: Gotcha'.

9 CHAIRPERSON GJONAJ: There's plenty of
10 leasing that is done in New York City by New York
11 City and I'd love to see the findings of that report
12 if they actually exist. And your--

13 COMMISSIONER BISHOP: [interposing] Oh.
14 The disparity study?

15 CHAIRPERSON GJONAJ: No. Meaning in
16 particular to the real estate end of it compared--

17 COMMISSIONER BISHOP: [interposing] Oh,
18 we can do--

19 CHAIRPERSON GJONAJ: They may be
20 certified, but I have yet to meet a single realtor
21 that has been certified that said we have been able
22 to procure leasing and sales because of our
23 certification for New York City.

24 COMMISSIONER BISHOP: I will introduce
25 you to a few.

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2 a

2 CHAIRPERSON GJONAJ: Thank you. Career
3 Pathways slated to be cut.

4 COMMISSIONER BISHOP: So, the Career
5 Pathways is not in the preliminary budget, but we
6 are-- we have ongoing conversations with OMB about
7 continuing those services. Again, this is part of a
8 larger conversation about workforce funding, so that
9 is why you don't see it in the preliminary, but we
10 are still talking to OMB.

11 CHAIRPERSON GJONAJ: I just want to note
12 that the councilmember Levin has joined us and I'm
13 sure he'll ask a question when he's ready. Because
14 it's not listed, also, it brings me to the program
15 here is in headcount changes in 45 headcounts that
16 are slated-- impact not only Career Pathway
17 reporting with 13 cuts in Community Development.
18 block grant to disaster recovery with seven cuts.
19 Agency Vacancy Reduction Initiative, seven. Center
20 for Economic Opportunity Initiatives, five. Support
21 for small businesses, Love Your Local, which you were
22 just referring to, slated for four. And the Mayor's
23 Office of Preservation Development, one.

24 COMMISSIONER BISHOP: Uh-hm.

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2 CHAIRPERSON GJONAJ: As well as
3 Discretion Management Initiative, eight. Well,
4 that's a plus eight. You're okay there. Isn't that
5 funny? The Mayor's--

6 COMMISSIONER BISHOP: It's actually the
7 Mayor's Office of people with disabilities.

8

9 CHAIRPERSON GJONAJ: Okay. And
10 Discretionary Management Initiative-- Tell me about
11 Discretionary Management Initiative.

12 COMMISSIONER BISHOP: Uh-hm. [background
13 comments]

14 CHAIRPERSON GJONAJ: Why are we
15 increasing the headcount by eight when we are cutting
16 all the others?

17 JACKIE MALLON: Those are the resources
18 necessary to manage the discretionary contracts.

19 CHAIRPERSON GJONAJ: I'm sorry?

20 JACKIE MALLON: Council discretionary
21 contracts. Those are the resources necessary to
22 manage that counsel discretionary contracts.

23 CHAIRPERSON GJONAJ: So, the more we put
24 in, the higher the headcount, the less we put in, the
25 lower the headcount?

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2 JACKIE MALLON: It's a lot of work to
3 manage the jillions of contracts.

4 CHAIRPERSON GJONAJ: You know, I believe
5 that dollar amount that the Council added into the
6 SBS budget last year was 23 million. Am I correct on
7 that, Commissioner?

8 COMMISSIONER BISHOP: For council
9 discretionary?

10 CHAIRPERSON GJONAJ: Uh-hm. [Background
11 comments]

12 COMMISSIONER BISHOP: It sounds--

13 JACKIE MALLON: 24.3.

14 COMMISSIONER BISHOP: 24.3.

15 CHAIRPERSON GJONAJ: Yeah. Of the
16 limited resources that we have, that is a good
17 percentage of our budget compared to the Mayor's
18 budget. I'm hopeful that we are not going to play
19 the game of cuts so we can restore, on the councils
20 end of it, when we don't have much available to her
21 store. I hope that you will be a solid voice for
22 restoring the services that we know, the existing
23 initiatives that we have, as well as any new programs
24 that may be coming down the pipeline because we love
25 to fund new initiatives and forget about old ones and

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2 that falls on the Council then to fill in the gap for
3 the two. I'm really hopeful that you'll continue to
4 be a strong advocate for those programs that we know
5 work.

6 COMMISSIONER BISHOP: Absolutely.

7 CHAIRPERSON GJONAJ: And these projected
8 headcount changes is not an indication that is going
9 to happen.

10 COMMISSIONER BISHOP: This is the
11 preliminary budget, so, again, we are having ongoing
12 conversations. So, for example, I discussed about
13 construction safety. You know, when you look at last
14 year, this reduction is based on the fact that we are
15 now a year into designing the program. We have a
16 better understanding of the resources that we need.
17 Career Pathways, again, we are an ongoing
18 conversations with OMB and, you know, in areas, for
19 example, Love Your Local, you know, we are work--
20 Again, ongoing conversations. So, it is my goal, to
21 your point, to ensure that we focus on the programs
22 that work and we ensure that we have all the tools
23 necessary to help our small businesses succeed.

24 CHAIRPERSON GJONAJ: Council member
25 Levin, I believe, has a question.

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2 COUNCIL MEMBER LEVIN: Thank you very
3 much, Chair Gjonaj. Hi, Commissioner. How are you?

4 COMMISSIONER BISHOP: How are you doing?

5 COUNCIL MEMBER LEVIN: Good. I wanted to
6 ask a little bit about-- I don't know if the Chair
7 asked about this. But Workforce 1 centers and how--
8 I Chair the General Welfare Committee which oversees
9 HRA and public assistance and, obviously, from the
10 1996 welfare reform legislation, there are work
11 requirements often for people receiving public
12 assistance. How does SBS play a role? How do the
13 Workforce 1 centers play a role in all of this and
14 what are some new initiatives that you are doing
15 there?

16 COMMISSIONER BISHOP: So, I'll start and
17 then Jackie can jump in. You know, we work closely
18 with HRA. One of the things that we piloted, for
19 example up in the Washington Heights Center, was
20 being to connect our participants to HRA services, if
21 necessary. We first started with a co-location type
22 of programming and then HRA trained our staff. So it
23 was sort of like a train the trainer to actually
24 connect to those particular resources. You know, we
25 have-- We are-- Our model is we work closely with

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2 these small businesses. The small businesses tell us
3 the skill sets that they are looking for. We've
4 posted and we have worked with HRA on recruiting
5 events, so we gave HRA sort of the skills that they
6 are-- that the small businesses were looking for and
7 we helped make those connections, and we continue to
8 work-- looking for different ways we can work with
9 HRA. [background comments]

10 JACKIE MALLON: I would just probably
11 add that, to the second part of your question, we are
12 and have been trying to invest more and more in
13 occupational skills trainings that will open up
14 opportunities for all New Yorkers to combat inequity.
15 And HRA is a key partner. They are a key referral
16 source and, through the Mayor's office at Workforce
17 Development, we're planning on even more integration
18 and coordination as we move forward.

19 COUNCIL MEMBER LEVIN: Is there a role for
20 SBS after people are placed in jobs or have connected
21 with employers, small businesses, to, you know,
22 continue to support them as they are in the
23 workforce?

24 COMMISSIONER BISHOP: No. You go ahead.
25 Go ahead.

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2 JACKIE MALLON: One of the programs that
3 we run that, I think, is in line with what you are
4 saying is that-- is advancement training for
5 existing workers through our custom-- it's called
6 customized training.

7 COUNCIL MEMBER LEVIN: Okay.

8 JACKIE MALLON: It provides businesses
9 with up to 400,000 dollars to train their existing
10 staff so they can take on greater transferable
11 skills. So, we think that's it.

12 COUNCIL MEMBER LEVIN: Okay. The work
13 that-- Again, if the Chair had asked this, I
14 apologize. But the work that SBS does with CUNY on
15 the Mayor's commitment to double the number of jobs
16 for CUNY graduates--

17 COMMISSIONER BISHOP: Uh-hm.

18 COUNCIL MEMBER LEVIN: Or double the
19 number of CUNY graduates with computer science
20 degrees--

21 COMMISSIONER BISHOP: Yep.

22 COUNCIL MEMBER LEVIN: What role has SBS
23 played in that and, you know, if you could provide me
24 an update. Obviously, this would be a partnership
25 with CUNY, but I would be interested to know how we

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2 are achieving that and then what we're-- Really,
3 what we are doing for CUNY grads as they are coming
4 out of school with undergraduate degrees. You know,
5 how is the city connecting them with the employment
6 sector?

7 COMMISSIONER BISHOP: So, I think-- You
8 know, so one of the things-- Earlier in my
9 testimony, I talked about the industry partnerships
10 and technology is one of the sectors that we are
11 investing in as a city. Our role is we have, in the
12 industry partnerships, tech talent pipeline and we
13 brought together-- And what we do is we bring the
14 industry. So, tech companies together to understand
15 the needs of those companies. The skill sets that
16 they need and then we work with, not only academic
17 institutions, but other community-based organizations
18 that are in that space, that training space, to
19 ensure that we are developing and we are producing a
20 workforce that the industry needs. So, our role in
21 CUNY 2x was the understanding that the most diverse
22 workforce is actually in CUNY and our tech companies,
23 we really needed to make sure that we connected CUNY
24 to our tech companies. One of the things, though,
25 that the tech companies said is that CUNY students

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2 were at a disadvantage. One, because the information
3 that they were learning was dated. You know, there
4 is new types of ways to do development that CUNY
5 students were not being taught. They did not have
6 the ability to actually do internships to show that
7 they could work in any sort of like a modern type of
8 tech companies. So the-- Our CUNY 2x initiative is
9 actually funding the different resources that CUNY
10 needed to actually enhance their ability to produce a
11 workforce that is in line with what the industry
12 needed. So, for example, our tech and residency
13 program, we have employees from tech companies who
14 have volunteered their time to actually teach at CUNY
15 schools and CUNY-- and the funding also goes to
16 helping CUNY schools get the resources that they
17 need, whether it's a-- whether it's equipment or
18 etc. to ensure that those students have the-- not
19 only the space and the equipment, but the instructor
20 to teach them the things that they need today.

21 [background comments]

22 COUNCIL MEMBER LEVIN: Thank you very
23 much. I appreciate that.

24 COMMISSIONER BISHOP: Thank you.

25 COUNCIL MEMBER LEVIN: Thank you, Chair.

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2 CHAIRPERSON GJONAJ: Thank you, council
3 member. I do want to talk about bids and the
4 important role that they play, Commissioner, and I
5 know that you're fond of them, as well. And they
6 truly are the front line to preserving our commercial
7 corridors. I am concerned that, unfortunately, most
8 of their budget goes to city services such as
9 sanitation and security instead of the intended
10 purpose, which is to help market and promote the
11 growth and sustainability of our commercial
12 corridors. This is something that I hope we can
13 continue to work on. Our bids should be equipped
14 with marketing the corridors that they encumber and
15 less of a burden on services that the city should be
16 providing. Up to half of their budgets and, in some
17 cases, as much as 70 percent of their budgets are
18 going to city services. Sanitation and security. We
19 need them to focus more on marketing and bringing
20 foot traffic to those corridors and I hope that is
21 something that we will continue to focus on.

22 COMMISSIONER BISHOP: Just only because
23 we were on the record, the bids are not-- So, the
24 services they provide are supplemental. So, if a bid
25 is-- When they are shaping their budget, you know,

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2 they are basing their budget based on what the board
3 of that bid ones that bid to prioritize. So, yes, in
4 certain areas, the board may say we want you to focus
5 a lot on sanitation service. It does not preclude...
6 The city has to do its job in terms of actually
7 providing sanitation and security. The work that the
8 bids are doing is just providing supplementary
9 services. So, again, if-- Because all of the 76
10 bids, they all have their own independent boards that
11 we sit on, and the council member in that district
12 would have a representation. If there is an issue
13 with this band and the budget allocation, that is
14 definitely something that the board of that bid
15 should address.

16 CHAIRPERSON GJONAJ: Thank you for
17 clarifying that, but when the trash cans on the
18 corner are overflowing because there isn't enough
19 city services by the Department of sanitation and
20 picking up the trash cans frequently, that garbage is
21 spewing onto the streets, which requires the bids to
22 be aggressive. Not only of making sure that they
23 don't overfill, but that they clean up the--
24 whatever--

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2 COMMISSIONER BISHOP: [interposing]
3 Right.
4 CHAIRPERSON GJONAJ: debris is being--
5 COMMISSIONER BISHOP: [interposing]
6 Right.
7 CHAIRPERSON GJONAJ: thrown around.
8 COMMISSIONER BISHOP: [interposing]
9 Right.
10 CHAIRPERSON GJONAJ: And as far as
11 security goes, although we don't expect a NYPD detail
12 for every one of our bids, the reason why they hire
13 additional security is because of the lack of NYPD
14 enforcement on these commercial corridors. Both city
15 services. Sanitation and policing. And what they
16 are doing, because there is a lack of services, they
17 are supplementing the services and what they are
18 double dipping, and the city gets to benefit this--
19 by this because they are already paying real estate
20 taxes and income tax and sales tax collections to
21 make sure those services are adequate for these
22 commercial corridors and then they get this bit
23 assessment placed under real estate taxes were,
24 again, they are being paid into subsidizing city
25 services. That's the point I'm making. That if we

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2 had adequate sanitation and we had adequate policing,
3 those bids can focus more of their budget on
4 marketing those commercial corridors and bringing in
5 additional foot traffic. And that would make their
6 businesses more sustainable.

7 COMMISSIONER BISHOP: And so the last
8 thing I would say is that if you are aware of a bid
9 that has exceeded their budget with sanitation and
10 security services because of a lack of city
11 resources, I would be happy to talk to you about that
12 and figure out ways I can talk to my counterparts to
13 make sure that we address that. Because bids are
14 supposed to provide supplementary services, not in
15 blue of city services.

16 CHAIRPERSON GJONAJ: Thank you,
17 Commissioner. So let me wrap up with I hope to hear
18 back from you on the projected OMB cuts ahead of the
19 cuts being finalized, as we move forward. I hope I
20 am going to get the survey from you before the
21 results come in, the disparity study, as well as an
22 update as to why your website doesn't include all of
23 the positions or the headcounts that we were
24 referring to, the 70 or 90 or 101. Whatever it may
25 be. And we'll get an update on that. And I don't

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2 know if there is anything else that we discussed.

3 Oh. A list of the community groups. I thought I

4 forgot this one. Last year's preliminary budget

5 hearing with, then, the Commissioner of neighborhood

6 development stated that you would forward us a list

7 of the 150 to 160 organizations and close to the 1000

8 to 1500 different organizations or representatives.

9 That was promised last year's preliminary budget. We

10 never got that list. Can I get an assurance from you

11 that this information will get to us somewhere

12 somehow, so we can do our outreach, as well, and kind

13 of partner up on meeting their needs and hearing from

14 them and becoming more proactive, if they are still

15 in business, that is.

16 COMMISSIONER BISHOP: So, I just want to

17 be clear. Again, we are-- We pride ourselves to be

18 very responsive as an agency, so I'm not sure-- The

19 170 organizations, because we work with a number of

20 organizations. You're specifically focused on

21 organizations that we work with through neighborhood

22 development or--

23 CHAIRPERSON GJONAJ: [interposing]

24 Neighborhood development, chambers, bids, merchants

25 associations, trade associations. Whatever--

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2 COMMISSIONER BISHOP: So any business,
3 any organization that we work with to connect to with
4 small businesses, you would like to know who they
5 are.

6 CHAIRPERSON GJONAJ: I was given the
7 number of 150 to 160 and then the quote that I-- my
8 records reflect from last year's testimony is that
9 you have anywhere between 1000 to 1500 organizations
10 or representatives that you work with or are in touch
11 with and, I'm sure, through an email blast or other
12 communications, this would also help us continue to
13 build on the responsibilities that we both have.

14 COMMISSIONER BISHOP: So what we can get
15 you is the organizations that we work with. I think
16 any individuals who work with us, that information is
17 confidential to us, but we can certainly work with
18 you to let you know what organizations we work with
19 on neighborhood development because the bids are part
20 of that, as well. And our LECs and any of the other
21 organizations that we work with, especially the ones
22 we need to work with to get the word out about our
23 services. Absolutely. I will make sure that you get
24 that information.

25

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2 CHAIRPERSON GJONAJ: I want to thank
3 you, again, for your testimony, your patience, and
4 your continued cooperation and, once again, thank
5 your staff. I am very fond of them and the
6 cooperation that I get from them, as well. You are
7 very fortunate to have them.

8 COMMISSIONER BISHOP: [interposing] I
9 feel very fortunate--

10 CHAIRPERSON GJONAJ: And before you
11 poach any of my staff-- [laughter] hands off.
12 [laughter] Thank you, Commissioner.

13 COMMISSIONER BISHOP: All right. Thank
14 you. Thank you very much and look forward to working
15 with you.

16 CHAIRPERSON GJONAJ: We'd like to call
17 up the first panel. Julian Hill, Adriana Mendoza,
18 Mary-- is it Bautista?

19 MARU BAUTISTA: Yeah.

20 CHAIRPERSON GJONAJ: Bautista, I hope,
21 or Busta. And Saduf Syal. Good afternoon. I just
22 want to thank you for your patience and I hope you
23 found the testimony informative and I'm looking
24 forward to hearing from you and, if it's okay with
25

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2 you, I'd like to start with the far right and we will
3 move in a row.

4 SADUF SYAL: Great.

5 CHAIRPERSON GJONAJ: Is that okay, sir?
6 Excellent.

7 SADUF SYAL: Thank you.

8 CHAIRPERSON GJONAJ: Please introduce
9 yourself. Your name and--

10 SADUF SYAL: Sure.

11 CHAIRPERSON GJONAJ: if you're with an
12 organization.

13 SADUF SYAL: I am Saduf Syal and I am
14 the coordinating director at the New York City
15 Network of Worker Cooperatives. Thank you,
16 Chairperson Gjonaj and members of the city Council
17 Committee on Small Business for allowing me to
18 testify. I'm here with the New York City Network of
19 Worker Cooperatives, which is the local trade
20 association representing worker cooperative
21 businesses across New York City and all the five
22 boroughs and in various industries. I am also here
23 on behalf of 14 nonprofit organizations that comprise
24 the worker cooperative business development
25 initiative and these organizations, for the past five

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3 years, have been working to create, sustain, and grow
4 worker cooperatives across the city and I should
5 mention that we do this in partnership with SBS.
6 That is our contracting agency, so we have worked
7 with them over time. But to just-- I want to say
8 that they worker cooperative businesses that exist in
9 the city are overwhelmingly owned and controlled by
10 people of color, by women of color, and by immigrants
11 and, through the support of this initiative, we have
12 been able to create a comprehensive ecosystem that
13 responds to their needs effectively. We are able to
14 create businesses, including startups as well as
15 business conversions. So traditional businesses that
16 transition into worker ownership when, say, a
17 business owner is retiring. We have been able to
18 also provide a lot of technical assistance that
19 allows these worker cooperative businesses to grow
20 and be sustainable over time and that includes legal
21 supports, financial supports, and business planning
22 supports. And, finally, we do a lot of education and
23 outreach as there has been growing interest in demand
24 to learn about worker cooperatives across different
25 communities in the city. We do want to urge the city
Council to continue to support worker co-ops and

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2 WBCDI with an enhancement of four point-- to 4.85
3 for fiscal year 2020.

4 CHAIRPERSON GJONAJ: Repeat that number,
5 again. Four-- You wanted to increase to 4.85?

6 SADUF SYAL: That is correct. And I
7 want to say that when city Council decided to fund
8 worker cooperatives about five years ago, it was the
9 first city in the country to do so and has since
10 inspired a variety of other count-- cities around
11 the country to do the same from Madison, Wisconsin to
12 Berkeley, California just recently. Also, on a
13 national level, we have seen the passage of an act
14 that recognizes worker cooperatives. The Main Street
15 Employee Ownership Act. So, we are seeing a growing
16 interest both nationally and a growing interest
17 locally and we want to be able to meet that demand
18 and we hope that New York City continues to play a
19 leading role in supporting worker co-ops. I will
20 stop there and allow for others to speak more
21 because, beyond WBCDI, I think that there are other
22 things that the city can be doing, as.

23 CHAIRPERSON GJONAJ: You are absolutely
24 right and thank you for that and I'm a big supporter
25 of cooperatives. I truly believe in the bulk

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3 purchase discounts that they can get together and, by
4 pooling their resources, we all benefit. So, thank
5 you.

6 SADUF SYAL: Thank you.

7 ADRIANA MENDOZA: Hi. Good afternoon. My
8 name is Adriana Mendoza. I am a worker owner at
9 Sunset Scholars Tutoring Cooperative in Sunset Park,
10 Brooklyn. Thank you, Chairperson Gjonaj and the New
11 York City Council Committee on Small Businesses. So,
12 again, I am here on behalf of my cooperative, Sunset
13 Scholars. We provide tutoring services in English as a
14 second language and also students, young people,
15 students up to middle school and the community and
16 across the city. I first heard about worker
17 cooperatives through my mother who was a founding
18 worker owner of Beyond Care, which is a childcare
19 cooperative that provides quality healthcare services
20 across the city and they have successfully grown to
21 about 40 members now. And I also learned about
22 worker cooperatives through the Center for Family
23 Life and I've learned about the cooperative business
24 model, its values, its principals, and how they put
25 people and worker owners first, while offering an
opportunity to collectively create businesses and

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2 also have a say in their workplace. I am a second
3 generation cooperator. I have worked with Sunset
4 Scholars and to grow the cooperative since 2015 when
5 we were founded and we have worked to increase worker
6 awareness of worker cooperatives in Sunset Park.
7 We're currently 10 members, 10 worker owners, and the
8 cooperative and we have all grown tremendously
9 personally, professionally, and we've all
10 participated in leadership roles and we have all
11 gained business, valuable business, skills while also
12 providing quality tutoring and having significant
13 work for all of us. The Center for Family Life
14 incubated our cooperative and assisted us with
15 training and forming the cooperative business, and
16 also provided ongoing support for the past few years.
17 Today, we are fully independent and we have come
18 together with other worker cooperatives to share
19 space and to create a local network in Sunset Park,
20 CUSP, Cooperatives United for Sunset Park. And it
21 was thanks to CUSP that we were able to become
22 independent and create space, a shared office space,
23 and officer manager. And I believe cooperative
24 business models are very important in the community,
25 especially for emigrants. Sunset Scholars is mainly

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2 made up of young people, so it's also a great
3 opportunity for youth to create work for themselves,
4 while also providing educational opportunities for
5 the younger folks and also, as a new mother, I look
6 forward to providing-- to sharing the opportunities
7 that I now have to share information about the
8 cooperatives corporation and being a business owner
9 with my young daughter. And I really look forward to
10 the city continuing its important support for worker
11 cooperatives and also we hope that the city considers
12 contracting us in other worker cooperatives for
13 services and products.

14 CHAIRPERSON GJONAJ: Thank you so much
15 for that.

16 MARU BAUTISTA: Hi. Good afternoon,
17 Chairperson Gjonaj and the distinguished members of
18 the New York City Council Committee on Small
19 Business. My name is Maru Bautista and I am the
20 director of cooperative development at the Center for
21 Family Life. Center for Family Life is a 40 year old
22 social service organization based in Sunset Park,
23 Brooklyn and has been part of the worker cooperative
24 business development initiatives since its inception
25 in 2014. We are deeply grateful for the support of

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2 our city Council that has given us and worker
3 cooperative development in the city. We are fighting
4 economic inequality for New Yorkers. Center for
5 Family Life has been providing tailored and long-term
6 cooperative development services to more than 20
7 worker cooperatives for the past 12 years. We have
8 successfully developed a model that supports low
9 income New Yorkers in starting and growing worker
10 cooperative businesses. The vast majority of those
11 we work with are struggling to make ends meet, often
12 with one, two, or more low-wage jobs, typically in
13 domestic work sectors such as cleaning, daycare,
14 eldercare, and pet care. Many do not speak English
15 or do not speak English as a first language and have
16 limited levels of formal education. Worker owners
17 and cooperative business is supported by CFL have
18 been primarily first-generation immigrant. 76
19 percent of them are Spanish-speaking. 83 percent of
20 them are women. 73 percent have high school
21 education or less and 70 percent-- 72 percent of
22 them have children. Small business ownership is
23 providing them with a path to their families economic
24 stability and providing them with the tools and
25 supports to become even more active participants in

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2 their communities. The worker cooperative business
3 development initiative is not only helping start
4 worker cooperatives, but it is also at the forefront
5 of business model innovation, with the goal of
6 bringing worker ownership to scale. For example,
7 conversions, like Saduf was mentioning, our strategy
8 that gives a pathway for retiring business owners to
9 maintain their legacy while giving worker's job
10 security by helping them to purchase the business and
11 which they have been investing their labor. Center
12 for Family Life's cooperative franchise model is
13 taking key skill and pieces of the franchise world
14 such as share branding and service says and making
15 them accessible to communities in most need by
16 providing them with the toolkits, guides, and
17 tailored supports. Through this new program, New
18 Yorker, any New Yorker can have the opportunity to
19 start their own worker owned business and joined us
20 as successful and recognizable brand. Can I
21 continue? Okay. Through the co-op franchise, we
22 want to transform the cleaning industry in this city.
23 Up and Go, the first cooperative technology platform
24 to be owned by worker cooperatives from communities
25 of color connects customers looking for residential

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3 or commercial cleaning with worker cooperatives in
4 the city. Up and Go is giving worker cooperatives
5 the ability to compete with other platforms that are
6 not centered and worker's needs or their labor. This
7 initiative, I mean, among many others, are
8 strengthening our small business community and the
9 services provided by all of our partners are key to
10 reaching the most vulnerable residents in our city.
11 There is growing interest in worker cooperatives from
12 city agencies, academic and financial institutions,
13 also community-based organizations, and also New
14 Yorkers themselves. We would like to see worker
15 cooperative development as a fully integrated feature
16 of what the most entrepreneurial city in the United
17 States has to offer. We urge the city Council to
18 increase the funding for this innovative initiative
19 from 3.9 million dollars to 4.85 in next year and
20 continue sending a strong message that New York City
21 values and supports worker ownership and that it is
22 an essential part of the portfolio of the Department
23 of Small Business Services.

24 CHAIRPERSON GJONAJ: Thank you. It
25 sounds like you have your own little cooperative
going on there. You went from 4.8 to 4.85, huh?

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2 ADRIANA MENDOZA: It's 4.85.

3 SADUF SYAL: Yeah. It's 4.85. I
4 think I might've misspoke.

5 JULIAN HILL: Chairman Gjonaj, member
6 of the Committee on Small Business, thank you for
7 this opportunity. I'm really excited to talk about
8 the social, political, economic, and also moral
9 benefits of worker cooperatives both to their workers
10 as well as to our community, as well as the critical
11 nature of legal services and other technical
12 assistance funded through the Worker Cooperative
13 Business Development Initiative, WCBDI, for creating
14 a New York City that centers equity, increases the
15 longing, and encourages democratically run
16 Enterprises. My name is Julian Hill and I am a staff
17 attorney at the Community Development Project or CDP
18 at the Urban Justice Center. Among the other things
19 that we do, we strengthen the impact of grassroots
20 organizations and New York City's low income and
21 other marginalized communities by providing legal
22 support. We bring cases, publish community driven
23 research reports, and provide technical assistance
24 and support of racial, economic, and social justice.
25 For almost 15 years, CDP has collaborated with

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2 community organizations like those before you today
3 to help low income New York City residents form
4 worker owned cooperative businesses. I love my job,
5 leaving a lucrative Wall Street law firm job to do
6 it. [laughter] And WCBDI makes it possible for me to
7 be here today. I enjoyed demystifying complicated
8 legal concepts so that my brilliant, mostly black,
9 mostly brown, mostly women, often immigrant worker
10 owner clients can do what they do best. They trust
11 us to ensure that their legal structure reflects
12 their core values of cooperation. Welk (sp?) Foods,
13 a women owned Dominican and Afro Caribbean food
14 service cooperative, mixes consciousness both in food
15 justice as well as social justice, sourcing their
16 foods from ethical farms and paying their employees
17 well above the minimum wage. A Mi Madre, another
18 cooperative, is also women-owned that focuses on
19 legal cannabis based oils and is really focused on
20 empowering women, some of whom are sisters, cousins,
21 daughters, and friends of folks who have been
22 incarcerated in this and other cities jails and
23 prisons as a result of the war on drugs. To be at
24 the forefront of a burgeoning industry to make sure
25 that the format that they use honors their labor and

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2 also finds a way to advocate to a space and a voice
3 for those who are most marginalized. CDP, this year,
4 has taken on over 15 new worker cooperative clients
5 just this year, partnering with several incubators
6 and developers, including the Center for Family Life,
7 Green Worker Cooperatives, and the ICA Group. As
8 they worker cooperative ecosystem continues to grow,
9 so does the need for legal services and technical
10 assistance for ongoing support to already existing
11 worker cooperatives. Since starting at CDP last
12 year, I have seen my own client base of just worker
13 cooperatives increase to over 20 clients, each with
14 their own set of distinct matters. As one of
15 primarily to organizations providing free legal
16 services to worker cooperatives and understanding as
17 a former big law associate, that private law firm
18 attorneys are billed out at hundreds of dollars an
19 hour. We understand how expensive and hard it can be
20 to find other options for legal services that are
21 able to provide such niche worker cooperative
22 expertise. Thank you for your time.

23 CHAIRPERSON GJONAJ: I want to thank you
24 all for your time and kudos to you. You got
25 additional points. You each pronounced my name

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2 correctly. That was remarkable. I am a supporter of
3 cooperatives and I'm looking forward to being an
4 advocate to increase budget. I truly believe in the
5 model and I know it works. You know it works and the
6 rest of the nation will follow suit. Thank you.
7 Calling up the next panel. Erik Kim, Yolanda Gonal--
8 Gonzaga (sp?), Katie Parks, Armando--
9 ARMANDO: I'm here.
10 CHAIRPERSON GJONAJ: Armando knows. You
11 know who you are, Armando. Great. And Kenrick Ross.
12 KATIE PARKS: Maybe have to pull up a
13 chair--
14 CHAIRPERSON GJONAJ: We may need to pull
15 up one more chair there. [background comments]
16 We're going to get you a chair. So, maybe we will
17 start with you and it is always women first and we
18 will work our way down, if it's okay. Did you mitt--
19 Did you submit your testimony in writing?
20 YOLANDA GONZAGA: Yes. Okay. Thank
21 you. [Speaking Spanish]
22 CHAIRPERSON GJONAJ: Yolanda?
23 YOLANDA GONZAGA: Yes?
24 CHAIRPERSON GJONAJ: Thank you. Thank
25 you for being here and for sharing your passionate

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2 story. You're a voice to many people out there and I
3 promise to commit not only to the day laborers day
4 laborers and the cooperatives, but to changing the
5 lives of immigrants. I am the son of immigrants and
6 I fully understand what you've gone through and I am
7 fully committed to you and all immigrants, but in
8 particular, the most vulnerable of all, our day
9 laborers. Thank you. [background comments]

10 YOLANDA GONZAGA: Gracias.

11 Translator: Thank you. You don't
12 need me to translate that? [background comments]
13 Okay.

14 KENRICK ROSS: good afternoon. My
15 name is Kenrick Ross and I am the program manager
16 Commercial Lease Assistance Program. I thank
17 Chairman Gjonaj and members of the committee and
18 counsel for the opportunity to highlight our work on
19 the half of lower income small business owners and
20 the critical need for this program to be renewed for
21 the long term and expanded.

22 CHAIRPERSON GJONAJ: Did you submit
23 something in writing?

24 KENRICK ROSS: Yes. It has Brooklyn
25 Legal Services on top.

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2 CHAIRPERSON GJONAJ: Thank you.

3 KENRICK ROSS: All right. As

4 Commissioner Bishop mentioned, the CLA program is
5 funded by a grant from the Department of Small
6 Business Services to provide free legal services on
7 lon (sic) litigation matters to a lower income small
8 business owners across New York City. It is housed
9 and managed by Brooklyn Legal Service, corporation A,
10 where I am the small business support project manager
11 and it is done in partnership VOLS, Volunteers of
12 Legal Service, and the Community Development Project
13 at Urban Justice Center. The CLA has had a
14 tremendous impact for small business owners who are
15 the least likely to have access to quality affordable
16 health-- legal services and most vulnerable to
17 displacement, gentrification, and harassment. I know
18 Commissioner Bishop mentioned some statistics. We
19 have a little bit more of an updated number, so I
20 will share those with you. As we enter the final
21 quarter of the initial two-year 2.4 million grant, we
22 have opened more than 400 cases. Almost all of them,
23 99 percent of them, are for small business owners who
24 are considered lower income. More than three
25 quarters are business owners of color. Two thirds

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2 are immigrants. Half are women. And a third to not

3 speak English as their first language. While, we

4 prioritize the 10 says, most rapidly changing

5 commercial areas, our clients are everywhere,

6 including 46 commercial districts. 46 city Council

7 districts. I am here to speak about two-- hmmm?

8 [background comments] Yes. I'm here to speak about

9 two matters. One is the continued stability of our

10 program. We are advocating for this funding for the

11 CLA to be baselined. We believe that, in just one

12 year, we are 96 percent of our capacity and, if we

13 are to continue, one, we have shown that there is an

14 on tap need and, two, many are cases take weeks, if

15 not months to resolve. Our small business owners

16 need to know when they come to us, that we will be

17 there for the duration, not just for the end of a

18 contract year. So, at this point, what we have

19 through SBS-- And we understand budget constraints,

20 is a one-year extension of the service. We would

21 like this city Council to the baseline this funding

22 so small business owners know that is available to

23 them. The second point is what we have identified as

24 additional needs beyond commercial leasing in terms

25 of legal services. Many of our small businesses are

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2 not formalized. A fifth of them do not have entities
3 that protect them, so that scenario we are precluded
4 from. Violations and addressing them. Either
5 preventing them through having small business is
6 understand their legal obligations or addressing them
7 is a grave concern, as you yourself mentioned. This
8 is not just crippling. It can be fatal to small
9 business. And then, finally, we would also-- We
10 also know that small businesses have the same
11 commercial leasing pressures that nonprofits-- and
12 some of these nonprofits have it worse. And while we
13 are a small business program, we would like to set
14 aside a few of our cases for nonprofit and nonprofit
15 businesses and entities and cultural spaces. They
16 approach us and, unfortunately, we are not able to
17 serve them and I think that would be tremendous to
18 the ecosystem of New York City for us to be able to
19 do that. Thank you.

20 CHAIRPERSON GJONAJ: Thank you.

21 ARMANDO MORITZ-CHAPELLIQUEN: Good
22 afternoon. Thank you, Chair Gjonaj for the
23 opportunity to testify this afternoon. My name is
24 Armando Moritz-Chapelliquen and I am the senior
25 economic development organizer at the Association for

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2 Neighborhood and Housing Development or ANHD. I
3 submitted a written copy of my testimony, so I'm
4 going to jump around a little bit in the interest of
5 time. ANHD is committed to strengthening the needs
6 of communities citywide and see small businesses as
7 integral to the fabric of New York's neighborhoods.
8 United for small business New York City, a coalition
9 convened by ANHD, includes community organizations
10 from across New York City fighting to protect New
11 York's small businesses and non-residential tenants
12 from the threat of displacement with a particular
13 focus on owner operated low income, minority, and
14 immigrant run businesses that serve low income,
15 emigrant, and minority communities. ANHD commends
16 the department of small business services, as well as
17 the CLA consortium for working to meet this crucial
18 need, specifically through the CLA program. And I
19 won't go into some of the language here about what
20 CLA is. I think we have talked about it quite a bit,
21 but at a time when small business displacement
22 threatens the very cultural fabric of what our
23 communities actually look like, we encourage the
24 Council to continue to support this vitally important
25 program as the trailblazing work being done in

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2 neighborhoods across the city will only serve to
3 strengthen the position of commercial tenants and
4 small businesses. And I know that there is a lot of
5 legislation that is looking at, you know, considering
6 expanding out even more services for commercial
7 tenants and small businesses and we look forward to
8 having that conversation next week. But just moving
9 on, we also applied SBS for their neighborhood
10 development division, specifically the Avenue NYC
11 grant program. I believe it was covered a little bit
12 during the agency's testimony, but this is really a
13 much-needed resource to allocate funding to
14 commercial corridors that are central to local
15 neighborhoods and overall commercial vitality. And
16 just to sum up, and my last 20 seconds or so, we ask
17 that the Council continues to support the industrial
18 Business Service Provider Network or the IBSPs. We
19 applaud the administrations past decision to the
20 baseline 1.5 for the IBSPs as part of the industrial
21 action plan, but that funding has run out through the
22 end of this year. And so, the program needs renewal
23 and, at a time when we have seen tremendous strides
24 on industrial land use policy as a result of
25 partnership and engagement across the city, it is

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2 crucial that the city's broader industrial policy
3 utilize the IBSPs as a local eyes and ears of
4 industrial policy and that we can keep these programs
5 operating. If you have any questions on these
6 programs, I would be happy to answer them, but thank
7 you, again, for the opportunity to provide testimony.

8 CHAIRPERSON GJONAJ: Thank you so much,
9 Armando.

10 KATIE PARKS: Good afternoon. My name
11 is Katie Parks and I am here on behalf of the
12 Business Outreach Center Network and our affiliate
13 small business loan fund, BOC Capital Core, CDFI.
14 BOC network provides business technical assistance,
15 customized small business training, and access to
16 capital in largely immigrant and minority communities
17 throughout New York City. We serve to industrial
18 business areas and operate the first business
19 incubator in the Bronx. BOC network is a member of
20 the New York City worker cooperative coalition
21 providing practical business development assistance
22 to the growing number of cooperative businesses. BOC
23 leaves equity driven initiatives and delivers
24 affordable capital to minority and women owned
25 businesses. BOC network as well known for its hands-

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2 on bilingual service model that supports
3 entrepreneurs at every stage of business development
4 and training for childcare in construction businesses
5 and lending programs targeting minority and low
6 income entrepreneurs. BOC collaborates with New York
7 City SBS to deliver industrial business services at
8 the industrial business solutions provider for Queens
9 Central and Brooklyn East. Our loan fund has grown
10 both as a lending and trading resource for certified
11 minority and women owned businesses with a special
12 focus on construction contractors. BOC Capital has
13 loaned over 25 million dollars to date. We deliver
14 New York City's contract finance loan fund and have
15 leveraged over 24 million dollars in contracts for
16 small businesses since March 2017 with close to 6
17 million dollars in New York City contract financing
18 loans. We see firsthand how community businesses of
19 all sizes and types can benefit and grow saving and
20 creating jobs for New Yorkers. Our focus has grown
21 to support New York businesses to access markets and
22 financing while focusing on their own accountability
23 to their workers. We grow quality jobs through small
24 business development and cooperative business
25 ownership. Every day, worker-owned cooperative

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2 create jobs and equity for low income New Yorkers in
3 a variety of business sectors, from what is known as
4 the carrying economy to transportation, construction,
5 and professional services. Community and emigrant
6 owned businesses are vital to local economies. These
7 brave entrepreneurs are responsible for not only
8 creating jobs, but for recirculating capital in their
9 own neighborhoods. As a result, BOC network is
10 strongly supporting funding increases from city
11 Council to support highly impactful business
12 assistance programs and initiatives including Chamber
13 on the Go and Small Business Initiative. BOC network
14 urges the City Council to enhance support for
15 business training, needs-based financial and business
16 counseling, and access to capital for new
17 entrepreneurs and local small businesses. The BOC
18 network and its members, serving all five boroughs of
19 New York City, request the city Council to increase
20 its investment in the Chamber on the Go and Small
21 Business Initiative overall. We are requesting to
22 increase the allocation of BOC from 113,000 to
23 190,000 which will increase our inclusive business
24 development services and will also leverage federal
25 dollars. BOC network urges the City Council to

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2 continue increasing at support of the worker
3 cooperative business development initiative. Worker
4 cooperatives are values driven small businesses whose
5 core purpose is to benefit workers in their
6 community. BOC joins the worker cooperative
7 coalition to request the city Council to add
8 resources that will enable expansion of the worker
9 cooperative business development initiative to 4.85
10 million from 3.6 million. New York City Council has
11 played a strategic role in supporting initiatives to
12 save and create jobs to encourage neighborhood
13 business development and to support strategies for
14 equitable local economies and MWBE access to
15 contracts. We look forward to our continued work
16 together towards these shared goals. Thank you.

17 CHAIRPERSON GJONAJ: Thank you, Katie.

18 ERIC KIM: Thank you to the Committee on
19 Small Business and Chair Gjonaj for the opportunity
20 to testify. My name is Eric Kim, small business
21 project manager at the Asian American Federation. We
22 are here today to speak about the needs of Asian
23 owned small businesses. About half of net new
24 economic activity in New York City and half of net
25 new paid employment, Asian businesses are also an

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2 important source of jobs for new immigrants and
3 provide an opportunity to learn skills specific to
4 American workplaces. Since 2017, Asian American
5 Federation has worked with over 100 small businesses
6 located along Union Street corridor in Flushing,
7 Queens under an EDC grant. Asian American Federation
8 requests funding to keep open our Flushing office to
9 serve the Queens small business community and expand
10 our program to other neighborhoods. With the grant
11 ending in this summer, 2019, Asian American
12 Federation seeks continue to funding to keep open the
13 Flushing office to support small business owners,
14 resolve their issues and potentially support
15 businesses and other neighborhoods such as Sunset
16 Park. Our business support model includes marketing
17 and neighborhood revitalization designed to address
18 major challenges faced by Asian business owners and
19 starting and growing their businesses. With your
20 support, we will keep launching marketing campaigns
21 and beautification projects providing small business
22 trainings and information sessions, developing
23 websites, social media education, and engaging in
24 advocacy at the state and local level and in the
25 media. The relationship we built up through our

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2 Flushing office enables us to organize and activate
3 the small business community quickly when challenges
4 arrive. With the recent increase in enforcement of
5 commercial signage regulations, we were able to
6 quickly inform the small business owners about the
7 rules and regulations being enforced and organized
8 rallies and proposed solutions to the city Council to
9 adopt to help small businesses become compliant and
10 reduce their burden of compliance. We are grateful
11 for the City Council's quick response to the signage
12 issue with the Awning Act and look forward to working
13 with the Council and the city to ensure small
14 businesses have compliant signage without (inaudible)
15 cost. I do want to add one thing that, after the
16 signage-- Many signs were taken down and a lot of
17 the customers were not even able to locate the small
18 businesses anymore. So, quickly, our organization
19 was able to put up temporary signs for the small
20 business owners and we have recently launched the
21 signage replacement program in order to help all the
22 small business owners who need to get the permit from
23 the DOB. Thank you.

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2 CHAIRPERSON GJONAJ: Do you have many
3 small businesses that were targeted and received
4 violations and finds?

5 ERIC KIM: So, in our jurisdiction,
6 according to the best of my knowledge, there were two
7 sections which include six small businesses that have
8 been ticketed. The first one was in December 2018
9 and the second one was in January 2019. So, since
10 then, the whole block, the business owners were
11 pretty much fear-- had fear. So they all started
12 taking down. Each signage that they had to take down
13 was about 400 to 800 dollars. At which means when
14 they have to reinstall the fine, it's going to cost
15 another four to 800 dollars. If they need a permit,
16 that's going to be another 2600 dollars and the
17 actual awning or any electronic signs is going to
18 cost 2500 to 5000 dollars. That's going to include
19 at least 10,000 dollars for each small business
20 owner.

21 CHAIRPERSON GJONAJ: I want you to stay
22 in touch with me because I want to be helpful to
23 those businesses that did receive the violations and
24 then maybe, collectively, we can work on the bill
25

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2 that we just passed. There may be an opportunity for
3 you. So, please stay in touch with me.

4 ERIC KIM: Thank you so much. And the
5 bill was great. It helped a lot. So--

6 CHAIRPERSON GJONAJ: Unfortunately, it
7 was a little too late for some businesses.

8 ERIC KIM: Yes. Yes.

9 CHAIRPERSON GJONAJ: I want to thank you
10 all for your testimony. Thank you.

11 ERIC KIM: Thank you.

12 CHAIRPERSON GJONAJ: This hearing is
13 officially ended. Thank you folks. [gavel]

14 [background comments]

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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 April 17, 2019