COMMITTEE ON SMALL BUSINESS CITY COUNCIL CITY OF NEW YORK ----- X TRANSCRIPT OF THE MINUTES Of the COMMITTEE ON SMALL BUSINESS ----- X March 12, 2024 Start: 11:46 a.m. Recess: 2:18 p.m. HELD AT: 250 BROADWAY - COMMITTEE ROOM, 16TH FLOOR B E F O R E: Oswald Feliz, Chairperson COUNCIL MEMBERS: Erik D. Bottcher Selvena N. Brooks-Powers Shekar Krishnan Vickie Paladino Sandra Ung Susan Zhuang OTHER COUNCIL MEMBERS ATTENDING: Pierina Ana Sanchez Kamillah Hanks World Wide Dictation 545 Saw Mill River Road - Suite 2C, Ardsley, NY 10502 Phone: 914-964-8500 * 800-442-5993 * Fax: 914-964-8470

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A P P E A R A N C E S

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

Dynishal Gross, Executive Deputy Commissioner for Program of the Department of Small Business Services

Michael Forte, Executive Deputy Commissioner for Administration at the Department of Small Business Services

Randy Peers, President and Chief Executive Officer of the Brooklyn Chamber of Commerce

Tshering Gurung, Senior Manager of Business Development and Training at Accompany Capital

Meredith Phillips Almeida, Small Business Resource Network

Carina Kaufman-Gutiérrez, Deputy Director at the Street Vendor Project

Nick Aquino, staff attorney with the Microenterprise Project of Volunteers of Legal Service

Kayt Tiskus, Collective Public Affairs

Ana Salgado, Mental Health Coordinator at Mixteca Organization

Elsa Samaniego, community leader, activist, and participant of the STELAR group in Mixteca

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

Gregory Morris, Chief Executive Officer of the New York City Workforce Development Association

Michael Haber, Director of the Community and Economic Development Program at Brooklyn Legal Services Corporation A

Jessica Walker, President of the Manhattan Chamber of Commerce

Pilar DeJesus, advocacy coordinator at TakeRoot Justice

| 2 | SERGEANT-AT-ARMS: Sound check for the |
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| 3 | Committee on Small Businesses. Today's date is March |
| 4 | 12, 2024, being recorded by Danny Huang on the 16th |
| 5 | Floor Hearing Room. |
| 6 | SERGEANT-AT-ARMS: Good morning and |
| 7 | welcome to the New York City Preliminary Budget |
| 8 | hearing on the Committee on Small Business. |
| 9 | Please silence all electronic devices. |
| 10 | At no time, please do not approach the |
| 11 | dais. If you have any question, please raise your |
| 12 | hand and the Sergeant-at-Arms will kindly assist you. |
| 13 | Thank you very much for your kind |
| 14 | cooperation. |
| 15 | Chair, we're ready to begin. |
| 16 | CHAIRPERSON FELIZ: [GAVEL] Good morning, |
| 17 | everyone, and welcome to today's budget hearing. I am |
| 18 | Council Member Oswald Feliz, and I am the Chair of |
| 19 | the Council's Committee on Small Business. Today, |
| 20 | we'll be hearing from the Department of Small |
| 21 | Business Services on their Fiscal 2025 Preliminary |
| 22 | Budget. |
| 23 | Commissioner Kim, it is great to see you. |
| 24 | Great meeting you a few weeks ago in my District |
| 25 | office. Thank you for coming all the way to the Bronx |

2 and Fordham Road. A very productive meeting and 3 conversation, and we look forward to continuing those 4 discussions that we had.

Small businesses are the backbone of our 5 economy, and small businesses, in New York City in 6 7 particular, are what give our neighborhoods their unique flavor and feel. The contributions of our 8 9 small businesses are endless. They create local jobs, they keep neighborhoods vibrant, and they generate so 10 11 much economic activity. As the Council Member of District 15, I know this very well. My District 12 covers Fordham Road the busiest commercial corridor 13 14 in the entire Bronx, also Arthur Avenue, another 15 vibrant commercial corridor. It is crucial that New York City continue to support our small businesses, 16 17 not only as they continue to recover from the long-18 lasting effects of the coronavirus pandemic but also 19 particularly in this era of consolidation and 20 monopolism of large multinational corporations. I'm 21 excited to hear from the agency on how this 2.2 Preliminary Plan is responding to the needs of our 23 small businesses, our small business community, and also how resources will be utilized. For a little 24 context, the Fiscal 2025 Preliminary Budget for SBS 25

totals 173.9 million with 34.4 million or nearly 20 2 3 percent proposed for personal services to support 302 4 current full-time employees. Of the total budget for 5 the agency, 103.8 million or nearly 60 percent supports the Department's operations. The remaining 6 7 70.1 million of SBS' budget is pass-through funding 8 for the New York City Economic Development 9 Corporation and NYC and Company. The Department's Fiscal 2025 Preliminary Budget is 109.6 million or 10 11 38.7 percent less than the Fiscal 2024 adopted budget 12 of 283.5 million. The agency, while improving, 13 continues to have double digit vacancy rates. It'll 14 be important for the Committee to understand what 15 steps the Agency is taking to reduce these vacancies 16 so that it can appropriately carry out the important 17 mission of supporting our small businesses.

18 It is the Council's responsibility to 19 ensure that the City's budget is fair, transparent, 20 and accountable to all New Yorkers. This includes 21 equity in funding and equity in assistance. As the 2.2 new Chair of the Committee on Small Business, I will 23 push for accountability and accuracy and ensure that the budget reflects the wants, the needs, and the 24 interests of the City. This hearing is a vital part 25

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| 2 | of this process, and I expect that SBS will be |
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| 3 | responsive to the questions and concerns of Council |
| 4 | Members. I look forward to an active engagement with |
| 5 | the Administration over the next few months to ensure |
| 6 | that the Fiscal 2025 adopted budget meets the goal |
| 7 | that this Council has set out. |
| 8 | I would like to thank Commissioner Kim, |
| 9 | thank you for joining and for testifying today. I |
| 10 | also want to thank the staff of the Small Business |
| 11 | Department who have been very responsive to our many |
| 12 | requests. We would not be able to analyze the City's |
| 13 | budget so thoroughly and at such a detailed level |
| 14 | without your cooperation, so thank you. |
| 15 | I would also like to thank my Staff and |
| 16 | the Staff of the Finance and the Legislative |
| 17 | Divisions for their help in preparing for this |
| 18 | hearing. I also want to thank Committee Counsels |
| 19 | Rebecca Barilla and Jessica Boulet for helping |
| 20 | organize today's hearing. Thank you. |
| 21 | I would also like to recognize Council |
| 22 | Members Zhuang and Ung who have joined us today. |
| 23 | Thank you, and I'll pass it back to our |
| 24 | Committee Counsel, Jessica Boulet, so that she can |
| 25 | administer the oath. |

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| 2 | COMMITTEE COUNSEL BOULET: Thank you, |
| 3 | Chair. Good morning, everyone. Welcome. I'm Jessica |
| 4 | Boulet, Committee Counsel for the Committee on Small |
| 5 | Business. |
| 6 | Before we begin testimony, I want to |
| 7 | remind everyone on Zoom that you will be on mute |
| 8 | until you are called on to testify. |
| 9 | I will be calling on public witnesses to |
| 10 | testify after the conclusion of the Administration's |
| 11 | testimony and after Council Member questions so |
| 12 | please listen carefully at that point for your name |
| 13 | to be called. |
| 14 | Council Members, you will be called on |
| 15 | for questions after the full panel has completed |
| 16 | their testimony. |
| 17 | We will now call representatives of the |
| 18 | Administration to testify. We will hear testimony |
| 19 | from the Department of Small Business Services, and I |
| 20 | will administer the affirmation to our panelists. |
| 21 | Today, I believe we have Kevin Kim, Commissioner for |
| 22 | the Department of Small Business Services, Dynishal |
| 23 | Gross, and Michael Forte. Thank you all for being |
| 24 | with us today. Please raise your right hands. |
| 25 | |
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1 COMMITTEE ON SMALL BUSINESS 9 2 Do you affirm to tell the truth, the 3 whole truth, and nothing but the truth before this 4 Committee and to respond honestly to Council Member 5 questions? EXECUTIVE DEPUTY COMMISSIONER GROSS: I 6 7 do. 8 COMMISSIONER KIM: I do. 9 EXECUTIVE DEPUTY COMMISSIONER FORTE: I 10 do. COMMITTEE COUNSEL BOULET: Great. Thank 11 you very much. I'll start by inviting Commissioner 12 13 Kim to testify. 14 COMMISSIONER KIM: Thank you very much. Good morning, Chair Feliz and Members of the 15 Committee on Small Business. My name is Kevin D. Kim, 16 and I serve as the Commissioner of the New York City 17 18 Department of Small Business Services, or SBS. 19 Joining me today are SBS' Executive Deputy 20 Commissioner for Programs, Dynishal Gross, to my 21 right and Executive Deputy Commissioner for Administration, Michael Forte, to my left. We are 2.2 23 pleased to offer our testimony on SBS' Fiscal Year 2025 budget. 24

2 New York City has experienced a 3 remarkable resurgence. Mayor Adams's prudent fiscal 4 management coming out of the pandemic has led to record-breaking job levels and improved bond ratings. 5 These indicators showcase the success of the Mayor 6 7 and Deputy Mayor Maria Torres-Springer's vision outlined in the Blueprint for NYC's Economic 8 9 Recovery, through which small businesses play a central role in shaping the City of Yes. Today, I am 10 11 proud to highlight SBS' significant contributions to 12 the recovery through pioneering initiatives such as the NYC Small Business Opportunity Fund and the 13 14 creation of the first-ever AI Chatbot designed to 15 assist small businesses. I also want to recognize the 16 vital partnership between City Council Members and 17 SBS. Many of our achievements stem directly from our 18 work together. In coordination with your offices, I 19 have personally visited small businesses in all 51 20 Council Districts with virtually every Council 21 Member. Thank you for your warm hospitality during these visits and your collaboration throughout the 2.2 23 year. SBS' Fiscal Year '25 Preliminary Budget 24

25 stands at 173.9 million dollars, of which 34.3

| million, or 19 percent, is allocated to personal |
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| services. Of the total budget of 173.9 million, |
| approximately 70.1 million, or 40 percent, represents |
| pass-through funding for other City entities, |
| including the NYC Economic Development Corporation at |
| 36.7 million, NYC Tourism + Conventions at 17.4 |
| million, and the Trust for Governors Island at 16 |
| million. As a conduit to these entities, SBS does not |
| manage or spend any of these funds. The budget |
| allocates 103.8 million to SBS programs, personnel, |
| and services, but excludes the extensive |
| discretionary contract portfolio typically added by |
| Council at the Adopted Budget in June. Currently, |
| SBS' budgeted headcount stands at 346, with 167 |
| filled since the start of the Adams' Administration. |
| Our dedicated team at SBS carefully manages these |
| resources to deliver programs that connect New |
| Yorkers to good jobs, create stronger businesses, and |
| build vibrant neighborhoods. This work is conducted |
| through SBS' four major program divisions: the |
| Division of Business Services or DBS, the Division of |
| Economic and Financial Opportunity or DEFO, the |
| Workforce Development Division or WDD, and the |
| Neighborhood Development Division, NDD. Additionally, |
| |

2 we oversee specialized experts and teams, including 3 Cannabis NYC, New York City Office of Nightlife, New 4 York City Food and Beverage Industry Partnership, Waterfront Permits, Women Entrepreneurs NYC or WE 5 NYC, and Black Entrepreneurs NYC or BE NYC. 6 7 Our DBS division, the Business Services 8 Division, offers an array of free business services, 9 connecting entrepreneurs with financing opportunities, business courses, mentorship, legal 10 11 assistance, and more. Notably, we launched last year 12 the New York City Small Business Opportunity Fund in partnership with Goldman Sachs and the Mastercard 13 Center for Inclusive Growth. This initiative, the 14 15 largest public-private effort in City history to 16 support small businesses, has facilitated over 85 17 million dollars in low-interest loans to more than 18 1,000 small businesses through collaboration with 19 eight Community Development Financial Institutions or 20 CDFIs. Recognizing the systemic challenges faced by businesses owned by people of color and immigrants in 21 accessing financing, we intentionally designed the 2.2 23 Opportunity Fund to mitigate these barriers by eliminating traditional obstacles such as application 24 fees and minimum credit score requirements. We also 25

2 employed targeted outreach strategies, in language, 3 in communities throughout the five boroughs. We reached over 500 businesses in historically 4 underserved neighborhoods with door-to-door outreach, 5 including more than 120 Bronx-based businesses on 6 7 launch day. As a result, approximately 80 percent of 8 the Fund's loans were awarded to minority- or women-9 owned businesses with 69 percent going to businesses owned by self-identified BIPOC New Yorkers. That 69 10 11 percent represents more than double the rate at which 12 BIPOC businesses access capital through the federal 13 Small Business Administration. Moreover, 59 percent 14 of the awards went to businesses in Low- to Moderate-15 Income neighborhoods. Finally, another data point 16 that demonstrates the success of our outreach effort 17 is that while the Bronx businesses represents 8 18 percent of small businesses in NYC, Bronx businesses 19 received 14 percent of Opportunity Fund loans and 20 businesses in every City Council District received funds as well. This underscores SBS' unwavering 21 commitment to overcoming historical inequities and 2.2 23 fostering inclusive economic growth. One notable beneficiary of the Opportunity Fund is the husband-24 and-wife team behind Buunni Coffee, Sarina and Elias 25

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Prabasi, who received over 100,000 dollars to expand 2 3 their Washington Heights and Inwood-based business 4 operations. They will use these funds to open a 5 coffee roastery in the Bronx, expanding from serving coffee at their four cafes to supplying now coffee 6 7 beans throughout New York City and giving more 8 businesses the opportunity to cut costs and roast 9 their own brew. Their story exemplifies the transformative impact of strategic financing on local 10 11 economies and the powerful role small businesses 12 have, not just to create wealth, but provide 13 something special for our neighbors.

SBS' DEFO division facilitates 14 15 opportunities for Minority and Women Business 16 Enterprises (M/WBEs) by providing certification, 17 technical assistance, and capacity-building training. 18 We collaborate with City agencies to connect M/WBEs 19 with contracting opportunities, supporting their 20 participation in the city's procurement processes. Our year-round efforts culminated at the 15th Annual 21 Citywide Procurement Fair at Barclay Center, where 2.2 23 the Administration announced a record 6 billion dollars awarded to M/WBE firms in Fiscal Year '23. 24 25 Nearly three-quarters of all M/WBEs awarded City

contracts utilized SBS services, reflecting our 2 3 commitment to facilitating their success. One such 4 success story is that of Ibrahima Badji, a firstgeneration Senegalese-American entrepreneur, whose 5 company Good Vibes supports high-school students in 6 pursuing debt-free higher education. Through SBS' 7 8 direct assistance, Mr. Badji secured five government 9 contracts totaling 50,000 dollars, enabling him to expand his impactful initiatives and contribute to 10 11 his community's well-being and our City's greatest mission, serving our children. In alignment with 12 13 Mayor Adams's vision and legislative efforts led by 14 Chief Business Diversity Officer Michael Garner, the Administration increased the dollar value of M/WBE 15 16 non-competitive contracts initially from 500,000 to 1 17 million and then again this year from 1 million to 18 1.5 million. Using this method in Fiscal Year '23, 19 the City unleashed a record-setting 175 million 20 dollars in contracts awarded to M/WBEs, a 60 percent 21 increase over the prior year. Moreover, at SBS, we 2.2 expanded the Contract Financing Loan Fund program to 23 provide an additional 50 million dollars in lowinterest funding, which will support 350 vendors to 24

2 fulfill 600 million dollars in City contracts over 3 the next two fiscal years.

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4 New York City's greatest asset is our talent. SBS' WDD division plays a pivotal role in 5 connecting jobseekers with employment opportunities 6 7 and assisting businesses in fulfilling their workforce needs. Through our network of 18 SBS 8 9 Workforcel Career Centers across the five boroughs, we provide free job placement services, career 10 11 coaching, and training programs. In Fiscal Year '23, 12 we helped 23,599 New Yorkers get a job or advance their career. SBS' efforts contributed to the 13 14 recovery of nearly 1 million jobs lost during the 15 pandemic, exemplifying the resilience of New York City's workforce and the dedication of our incredible 16 17 SBS team. One success story I'd like to share is that 18 of military veteran Rudy Cazares, who partnered with 19 SBS to expand his logistics company in the Bronx, 20 hiring 49 local residents through Workforce1. Our 21 collaborative efforts with community partners have 2.2 further enhanced our ability to connect jobseekers 23 with diverse employment opportunities, again fostering inclusive economic growth. 24

| Our Neighborhood Development Division, |
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| NDD, oversees our neighborhood development |
| initiatives and supports New York City's network of |
| 75 Business Improvement Districts, or BIDs, which |
| serve nearly 300 miles of commercial corridors and |
| invest more than 187 million into local economies. In |
| the Adams' Administration, we have allocated |
| approximately 27 million dollars in grants to over |
| 100 community-based organizations, spurring |
| commercial corridor revitalization efforts. Examples |
| of the impact of these grants include the |
| installation of seasonal Ramadan lighting by |
| Brooklyn's Bay Ridge 5th Avenue BID, neighborhood |
| beautification efforts by Morris Park BID in the |
| Bronx, and enhanced district marketing by East |
| Brooklyn BID. Brooklyn's Bay Ridge 5th Avenue BID, |
| for example, used their BID grants to install |
| seasonal Ramadan lighting along 20 blocks and over |
| 400 storefront businesses, while Morris Park BID in |
| the Bronx doubled down on neighborhood beautification |
| by planting 47 guarded tree pits, cleaning up over |
| 100 tree pits, and installing 10 planters along their |
| commercial corridor. East Brooklyn BID leveraged |
| their funding to boost business-to-business marketing |
| |

2 and reached over 7,000 people on Facebook. These
3 initiatives not only enhance the aesthetic appeal of
4 commercial districts but also stimulate economic
5 activity and create safer neighborhoods.

Our partnership with the City Council has 6 7 been instrumental in advancing initiatives to support small businesses and reduce regulatory burdens. This 8 9 year, the Council passed Intro. 845-2023, a critical component of the Mayor's Small Business Forward 10 11 initiative to cut red tape. With this legislation 12 signed by the Mayor, the Administration has 13 implemented over 90 reforms to lower fines, create 14 cure periods, or institute first-time warnings, 15 putting dollars back into the hands of business 16 owners to reinvest in their businesses and 17 communities. Building on the City Council's One Stop 18 Shop portal enacted into law in October 2022, we 19 launched the SBS Business site on the MyCity portal 20 with a first-in-the-nation AI chatbot to help 21 business-owners navigate City government. The new AI chatbot serves as a 24-hour executive assistant, 2.2 23 saving business owners and entrepreneurs time and money by instantly sharing actionable and trusted 24 25 information from more than 2,000 NYC Business web

2 pages and articles, and it's in the top 10 languages 3 spoken in New York City. Additionally, this committee 4 helped to bring the Office of Nightlife to SBS from the Mayor's Office of Media and Entertainment through 5 legislation. The ONL team is right at home at SBS, 6 7 working across our divisions to support the 35billion-dollar industry. As we work together to 8 9 modernize government services and support local communities, I am proud to also have great 10 11 relationships with the Community Boards, BIDs, Chambers of Commerce, merchant's associations, 12 13 community-based development organizations, immigrant-14 focused advocacy groups, consular corps, and non-15 profits in each of your Districts. The City Council provides a bridge for our agency to so many local 16 17 organizations, and I am eager to continue this 18 partnership. 19 In conclusion, SBS remains steadfast in

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20 its commitment to Mayor Adams' economic agenda, 21 centered on equity and inclusivity with small 22 businesses continuing to lead our recovery efforts. 23 We look forward to working with the Council to 24 advance our shared goals. Thank you for the

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| 2 | opportunity to testify, and we welcome any questions |
| 3 | you may have for me or my team. Thank you. |
| 4 | CHAIRPERSON FELIZ: Thank you, |
| 5 | Commissioner, for the testimony and for all the |
| 6 | information. We have many questions about the overall |
| 7 | budget, questions about state funding, federal |
| 8 | funding, PEGs, and more, but I'll start with the very |
| 9 | basic questions regarding the overall budget just to |
| 10 | give context for future questions. What is the total |
| 11 | FY 2024 SBS budget, and how does the new proposed |
| 12 | budget, the FY 2025 budget, compare to the 2024? |
| 13 | COMMISSIONER KIM: As I mentioned in my |
| 14 | testimony, the budget stands at 173.9 million, 40 |
| 15 | percent are pass-throughs that we don't manage or |
| 16 | spend, that's 70.3 million dollars, and then 60 |
| 17 | percent remains for SBS, which also includes the |
| 18 | Office of Talent, that's in our budget and, of that, |
| 19 | 34.3 million is personal services. The 109 million |
| 20 | drop that you might see in the overall budget comes |
| 21 | from primarily the pass-throughs, so there's 45 |
| 22 | million of that, and also the Council discretionary |
| 23 | that gets added in usually at the adopted budget, |
| 24 | approximately 30 million dollars, so out of the 109 |
| 25 | million drop you may see on the paper, about 75 |
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| 1 | COMMITTEE ON SMALL BUSINESS 21 |
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| 2 | million of it is either through pass-throughs or the |
| 3 | Council discretionary, and then the remaining are |
| 4 | either one-time investments that we made coming out |
| 5 | of the worst pandemic ever that we needed to make the |
| 6 | investments into businesses, into commercial |
| 7 | quarters, and so that accounts for the remaining |
| 8 | difference that you'll see on paper from this year |
| 9 | and next year. |
| 10 | CHAIRPERSON FELIZ: What are the sources |
| 11 | of this funding? City funds obviously, State, what |
| 12 | else? |
| 13 | COMMISSIONER KIM: Our budget includes |
| 14 | CTL, city tax levy funding. We have some state |
| 15 | support, obviously, and then we have WIOA federal |
| 16 | funding for workforce programs. |
| 17 | CHAIRPERSON FELIZ: Okay, A few questions |
| 18 | about headcount and hiring. The Fiscal 2025 |
| 19 | Preliminary Plan includes budgeted headcount of two |
| 20 | new positions since the Fiscal 2024 Adopted Plan, |
| 21 | bringing the total adopted headcount to 346 in Fiscal |
| 22 | 2025 so what's going to be the role of these two new |
| 23 | positions and staffers? |
| 24 | COMMISSIONER KIM: At SBS, because we also |
| 25 | help pass-through our budget through a number of the |
| l | |

2 other agencies including Office of Faith and some 3 positions through the Mayor's Office of People with 4 Disabilities and whatnot, the exact number of the 5 headcount, if you look at it from SBS' Fiscal Year '25, the planned headcount of 346, to put it into 6 7 context, when the Administration first came into 8 office, we had 304 people at SBS so we've had 9 actually an increase of 42 headcount since the start of the Administration. Therefore, we've also hired 10 11 over 167 people when you include people who might have left in between but, at the end of the day, I 12 13 think you had mentioned at one point, in your 14 opening, that SBS' vacancy rate was double digits. 15 That's a little misleading because SBS only is only 16 about 3.6 percent, well below the City average of 17 about 5.5 percent. What that means is we only have at 18 SBS alone, 10 positions that are available, again, 19 3.6 percent. The other numbers that you see are 20 related to all the other entities that come through 21 us on the budget side, but they control the hiring and their PS budget side so we're actually doing 2.2 23 remarkably well. I think one of the big factors was when Mayor Adams and DCAS Commissioner Dawn Pinnock 24 put on the hiring hauls and we did a hiring sprint, 25

our agency on paper went from one of the highest at 3 0 percent all the way down to at this point, maybe 4 it's 10, 11 percent on the budget side, but SBS alone 5 is only 3.6 percent.

6 CHAIRPERSON FELIZ: 3.6 percent. Okay, and 7 do you believe that the headcount included in the 8 Preliminary Plan is sufficient to meet the needs of 9 the agency in Fiscal Year 2025?

COMMISSIONER KIM: Yes, absolutely. We did 10 11 so much in the past two years and, in particular, the 12 first year I was here with a lot fewer people, but I 13 think this past year we went and took advantage of 14 the hiring sprints, and all the great hiring halls 15 that DCAS Commissioner Dawn Pennock organized, and we were able to put in an incredible team, and I think 16 17 you're seeing the results of all the accomplishments 18 we did last year in terms of historic investments and 19 programs and initiatives, and we are well-poised to 20 go into Fiscal Year '25 to do some more record-21 breaking activities.

CHAIRPERSON FELIZ: Okay. A few questions related to the Program to Eliminate the Gap, PEGs. The Preliminary Plan includes 5.3 million in PEGs for Fiscal 2025. The Department took approximately 2.5

| 1 | COMMITTEE ON SMALL BUSINESS 24 |
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| 2 | million in savings from various business programs. |
| 3 | What programs were reduced from the program savings? |
| 4 | COMMISSIONER KIM: For the PEGs |
| 5 | themselves, we expect very minimal, if no impact, to |
| 6 | all of our programming, and I think it really shows |
| 7 | in the work that we did this past year. In terms of |
| 8 | the actual programming, the bulk of it comes from |
| 9 | workforce development side, but we're lucky because, |
| 10 | as I explained originally, we also have the WIOA |
| 11 | funds from the federal dollars so, wherever possible, |
| 12 | we're able to swap out CTL money for the federal WIOA |
| 13 | funds, and so I think almost 4 million, or over 4 |
| 14 | million, of that what you speak of comes from the |
| 15 | workforce end where we're able to wherever possible |
| 16 | swap out into the federal dollars. In terms of some |
| 17 | of the other programs, Cannabis NYC, for example, we |
| 18 | cut almost 400,000 dollars, but we did that only |
| 19 | because Of the fact that the State encountered a lot |
| 20 | of lawsuits, and so there was a delay in the rollout |
| 21 | of the legal licensing, and so, because of that, |
| 22 | there was less money anticipated to help new |
| 23 | applicants, so we took it from actual savings but, |
| 24 | other than that, there are a couple of other programs |
| 25 | where we were able to bring in, for example, |
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| 2 | marketing in-house, where one of our contract |
| 3 | partners might have been looking to use some money to |
| 4 | do outreach and marketing but, because at SBS in the |
| 5 | first year I was here, we were able to reorganize our |
| 6 | agency to create a separate outreach team. We knew |
| 7 | that we could handle the marketing in-house, so we |
| 8 | found cost efficiencies there as well. |
| 9 | CHAIRPERSON FELIZ: Thank you. Thank you |
| 10 | for the information. I would like to recognize |
| 11 | Council Member Paladino, who has joined us also, |
| 12 | Council Member Bottcher and Krishnan. |
| 13 | A few questions related to PEGs related |
| 14 | to M/WBEs. The Preliminary Plan includes a PEG for |
| 15 | almost 1 million related to savings in the M/WBE $$ |
| 16 | program in Fiscal 2024. What programs within SBS' |
| 17 | M/WBE division are these savings derived from? |
| 18 | COMMISSIONER KIM: Yeah, will be zero |
| 19 | impact on our M/WBE program because that 1 million |
| 20 | reflects the original budget of 1.5 million this year |
| 21 | that was put in to have the disparity study done. |
| 22 | Every two years, is it, by law, we're supposed to |
| 23 | have a disparity study, and so that money was |
| 24 | designed for that, but my team, we were able to |
| 25 | |
| | |

2 partner up with CUNY and get this study done, and so 3 we wouldn't need this money going into next year.

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4 CHAIRPERSON FELIZ: Is it safe to say that 5 these programs will not be affected not one bit due 6 to the PEGs?

7 COMMISSIONER KIM: I believe so. We have and we'll continue to have such a robust support 8 9 system for M/WBEs. We've got M/WBE mentoring. We've got our OATH contract mediation partnership. We've 10 11 qot M/WBE free contract legal services. We've got our 12 construction ramp up program, the bond readiness 13 program and, as I mentioned in my testimony, we 14 actually have a much larger pool of money available 15 for the contract financing loan fund. That fund 16 oftentimes is what has helped a lot of smaller M/WBEs 17 who worried about capacity to perform on City 18 contracts. People who would be shy to even apply for 19 the contract, once they knew that this program would 20 allow up to 1 million at 3 percent fixed rate 21 guaranteed by the City contract, we found many more 2.2 M/WBEs entering into this process and getting awards, 23 and so that program, because of the increased amount of money has now been able to support, as I said, an 24

1 COMMITTEE ON SMALL BUSINESS additional 350 vendors up to 600 million dollars of 2 3 City contracting.

CHAIRPERSON FELIZ: Okay, thank you for 4 that information. A few more questions and then I'll 5 pass it on to Colleagues who have questions. 6

7 A few questions related to our BIDs, our 8 Business Improvement Districts. We know our small 9 businesses work hard to generate economic activity, keep neighborhoods vibrant, and our local Business 10 11 Improvement Districts help our businesses support our community by making sure that our commercial 12 13 corridors are corridors that people want to come to 14 to shop, to eat, and to support our small businesses, 15 so a few questions about funding related for our 16 BIDs. How much of the Department's Preliminary Budget 17 is dedicated to supporting our Business Improvement Districts? 18

19 COMMISSIONER KIM: As you know, the 20 Neighborhood Development Division, NDD division, does 21 a tremendous job working with the 75 BIDs throughout 2.2 the city. Over the past two years since the 23 Administration began, we had allocated over 27 million dollars to over 100 organizations, and that 24 includes a lot of the smallest of the BIDs. We knew 25

that coming out of the pandemic, how effective BIDs 2 3 were and what an important role they played in 4 helping the commercial corridor survive, and even some of them thrive through the pandemic, so the one-5 time investments that the Blueprint for Economic 6 7 Recovery laid out was an important piece in getting 8 them through the most challenging times, and so that 9 one-time investment, you're seeing many of the payoffs now in the programmings that they're doing. 10 11 One of the things we did last year as a pilot program 12 was the Lighting Grant at 1.5 million and, if you go 13 up to Harlem on 125th Street, I was up there with 14 Barbara Askins, the BID director, and there's a 15 singing tree there that has lights coordinated with the song, and she was telling me how people have 16 17 started to come in front of it just to take photos 18 and there's been, not quite full blown viral videos 19 but many videos and how people are starting to come 20 out there and do proposals and having fun and it's 21 drawing people into the District so we know all the 2.2 creative things and all the important public safety 23 and sanitation services that BIDs provide so we continue to support them. We have our Avenue NYC and 24 Neighborhood 360 program that will be there next year 25

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| 2 | as well. The Neighborhood 360 has 2.5 million |
| 3 | dollars, the Avenue NYC has 1.5 million dollars, and |
| 4 | so we look forward to our continued partnership with |
| 5 | our BIDs that way. |
| 6 | CHAIRPERSON FELIZ: By the way, it was |
| 7 | great joining you in Harlem to see that tree lighting |
| 8 | program in action. |
| 9 | COMMISSIONER KIM: Yes. |
| 10 | CHAIRPERSON FELIZ: Very nice. Do you |
| 11 | believe that the budget includes sufficient resources |
| 12 | to support BID formation and also our smaller BIDs? |
| 13 | If yes, what type of resources are included for these |
| 14 | smaller BIDs? |
| 15 | COMMISSIONER KIM: That's where I do want |
| 16 | to emphasize the Neighborhood 360 and Avenue NYC |
| 17 | program that's been ongoing. One of the examples is |
| 18 | Cypress Hill, for example. Up there, they're looking |
| 19 | to create their own BID, and we were able to use |
| 20 | their Avenue NYC grant to get them help to be able to |
| 21 | do a CDNA, a Community District Needs Assessment, so |
| 22 | once they created that report with the money we were |
| 23 | able to grant them, then they're now in the BID |
| 24 | formation process and, with our Neighborhood 360 |
| 25 | grants, they're able to try to further along and get |
| I | |

| 1 | COMMITTEE ON SMALL BUSINESS 30 |
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| 2 | that across the finish line, but those are the exact |
| 3 | types of programs that we continue to provide at NDD |
| 4 | along with all the capacity building and, as you as |
| 5 | City Council Members and as SBS and other electeds, |
| 6 | we sit on the Class D of all these BIDs where they're |
| 7 | on site, on the ground, working with them to make |
| 8 | sure that they can support the businesses that they |
| 9 | were intended to do. |
| 10 | CHAIRPERSON FELIZ: Thank you. I have many |
| 11 | more questions about BIDs and other topics, but I'll |
| 12 | take a break now. |
| 13 | I'll pass it on to Council Member Zhuang, |
| 14 | who has a few questions. |
| 15 | COUNCIL MEMBER ZHUANG: Thank you, |
| 16 | Commissioner. I also want to thank you come to my |
| 17 | District, and it's a great tour in my District. You |
| 18 | have been seeing in <u>(INAUDIBLE)</u> , it's a lot of new |
| 19 | immigrants there, and you have been talking about |
| 20 | BIDs. I want to ask, do you think you have funding |
| 21 | for the BID and also merchant association and, if you |
| 22 | do, can you bring more resources to my District? |
| 23 | Currently in my District, we don't have any BID or |
| 24 | merchant association. |
| 25 | |

| 2 | COMMISSIONER KIM: Yes, our NDD team that |
|----|---|
| 3 | you've met, I think, we will work with you very |
| 4 | closely because our belief is that the more BIDs, the |
| 5 | better in the city, and merchant associations as |
| 6 | well. They're very important in providing work that |
| 7 | in areas where it might be very difficult and |
| 8 | challenging to actually form a BID so we'll be there |
| 9 | with you to coordinate and discuss and how to |
| 10 | support. |
| 11 | COUNCIL MEMBER ZHUANG: I also want to |
| 12 | know, do you have enough funding for that? |
| 13 | COMMISSIONER KIM: Yes, our team has the |
| 14 | support through the Neighborhood 360 and Avenue NYC |
| 15 | of dollars that I had mentioned, the 2.5 and 1.5 |
| 16 | million respectively. BID formation takes a long |
| 17 | time. I think the key critical factor that a lot of |
| 18 | people underestimate is you need to get the |
| 19 | landlords, the 51 percent of the landlords in the |
| 20 | District to sign on, and so what we try to do with |
| 21 | all of our partnership with the community-based |
| 22 | organizations and the Community Boards and everybody |
| 23 | else, and the electeds with your partnership, if |
| 24 | we're all on board that a BID can be formed there, |
| 25 | then we'll work together to contact the landlords and |
| l | |

| 2 | to show them why and how valuable it is to actually |
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| 3 | have a BID in their District and, at the end of the |
| 4 | day when you talk landlord language, I think it's |
| 5 | about increasing their property value and, if you |
| 6 | show that you can create a safer commercial corridor, |
| 7 | a commercial corridor that attracts more people and |
| 8 | that their businesses can thrive then their property |
| 9 | values go up, I think you can persuade a lot of |
| 10 | people to do that. |
| 11 | COUNCIL MEMBER ZHUANG: Currently in my |
| 12 | District, do you have any partner already you can |
| 13 | help us moving forward? |
| 14 | COMMISSIONER KIM: I will have our NDD |
| 15 | team contact you right after this meeting to |
| 16 | specifically talk about your District but, again, we |
| 17 | can provide, and this is where we add a lot of value |
| 18 | where it doesn't cost additional dollars is we have |
| 19 | the technical assistance and the experience of BID |
| 20 | formation in-house and they can work with you so |
| 21 | they'll come and talk to you right after this. |
| 22 | COUNCIL MEMBER ZHUANG: Okay. Thank you. |
| 23 | COMMISSIONER KIM: Thank you. |
| 24 | CHAIRPERSON FELIZ: Thank you so much, |
| 25 | Council Member. I'll pass it on to Council Member |
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| 2 | Bottcher but, briefly before that, I just wanted to |
| 3 | ask some additional questions related to BID |
| 4 | formation and our general questions about BIDs. How |
| 5 | many BIDs have we created in the last two, three |
| 6 | years, let's say? Also, how many would you say are in |
| 7 | the pipeline? More or less, if you don't have the |
| 8 | specific number. |
| 9 | COMMISSIONER KIM: While I buy time on |
| 10 | that exact number, I do want to go back to Council |
| 11 | Member Zhuang. We are funding the Brooklyn Chinese |
| 12 | American Association and the Asian Americans for |
| 13 | Equality, and they both conducted a CDNA there, but |
| 14 | we can talk more further on that. |
| 15 | To the exact numbers, I know we have two |
| 16 | that are getting close. Cypress Hill, as I mentioned |
| 17 | earlier, and then Long Island City is expanding, so |
| 18 | while it's not a new BID, they're significantly |
| 19 | expanding their footprint so you can consider it in |
| 20 | that way. We've had, in Jamaica, three BIDs come |
| 21 | together and form one, and I think from most people, |
| 22 | yes, as Council Member Paladino just mentioned, it |
| 23 | was a very efficient use and smart move on the part |
| 24 | of the organizations to be cost-efficient and to be |
| 25 | more impactful, and so we believe that at times it |
| | I |

| 1 | COMMITTEE ON SMALL BUSINESS 34 |
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| 2 | does make sense for BIDs to get together and form one |
| 3 | joint BID like they did in Jamaica but, other times, |
| 4 | it makes sense for BIDs just to expand their |
| 5 | footprint instead of creating a brand new BID so |
| 6 | that's the case of Long Island City. Then in Cypress |
| 7 | Hill, they're working on and very close to forming |
| 8 | their own BID. West Village and Castle Hill have been |
| 9 | formed during the Administration, so those are two |
| 10 | new BIDs that have come online since the |
| 11 | Administration began. |
| 12 | CHAIRPERSON FELIZ: Okay, so more or less |
| 13 | two BIDs in the last two-ish years. |
| 14 | COMMISSIONER KIM: Yes. |
| 15 | CHAIRPERSON FELIZ: Okay. As someone who |
| 16 | represents a very diverse District, we have Fordham |
| 17 | Road and Arthur Avenue established BIDs, but also |
| 18 | East Tremont, which has been trying to form a BID for |
| 19 | a long time, very aware of the many challenges that |
| 20 | our BIDs face when trying to form, including and |
| 21 | especially communities that don't have a lot of |
| 22 | resources, communities that have high vacancy rates, |
| 23 | very aware of the challenges they face, but we've |
| 24 | only formed two BIDs in two years, I think, all of us |
| 25 | need to give that issue some additional attention. |
| | |

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2 COMMISSIONER KIM: I do want to update 3 you, there's nine total BIDs in the pipeline as well. 4 CHAIRPERSON FELIZ: Nine total BIDs in the 5 pipeline.

COMMISSIONER KIM: Yes.

7 CHAIRPERSON FELIZ: And how long have they 8 been in the pipeline for, more or less?

9 COMMISSIONER KIM: Each one's different. I think there's so much we can do as a city and as an 10 11 agency to get a BID formed. Like I said, I think the 12 biggest challenge is getting the landlords to get, 13 you could do everything right, but if the 51 percent 14 of the landlords don't sign on, you can't get a BID 15 formed. That's the way the law is working so I think this is where we continue to try to partner up, and 16 17 we have been partnering up with the local elected 18 officials there, the Community Boards, the community-19 based organizations to really try to push this, but I 20 think there are some BID formations that have been 21 there for many years because the landlords just 2.2 refuse to sign on.

23 CHAIRPERSON FELIZ: Okay. All right, so 24 now let's hear from Council Member Bottcher from 25 Manhattan.

| 2 | COUNCIL MEMBER BOTTCHER: Thank you, |
|----|---|
| 3 | Chair. Hi, Commissioner. How are you? |
| 4 | COMMISSIONER KIM: Good. Thank you. |
| 5 | COUNCIL MEMBER BOTTCHER: In August of |
| 6 | 2022, Cannabis NYC was launched, which is housed |
| 7 | under your agency, an initiative to support |
| 8 | entrepreneurs and employees as the industry develops |
| 9 | and to make New York City a global leader in that |
| 10 | industry. What is the total funding for that unit, |
| 11 | Cannabis NYC, within SBS? What's the headcount and is |
| 12 | that unit being affected by any spending reductions? |
| 13 | COMMISSIONER KIM: So the total budget, |
| 14 | I'll get you in a second. The headcount is five at |
| 15 | the agency but, Cannabis NYC, the reason why it made |
| 16 | sense to put it at SBS is because we obviously don't |
| 17 | do the licensing. That's a state function. From the |
| 18 | City's function, we are focused on education and |
| 19 | outreach, and so we have done tremendous amount of |
| 20 | Liftoff Tours. These are kickoffs where our Founding |
| 21 | Director, Dasheeda Dawson who, by the way, brings |
| 22 | expertise on a level that's rare in the country. She |
| 23 | had run Portland's Program before coming here, and |
| 24 | her idea to do the Liftoff campaigns going into |
| 25 | communities most impacted by the war on drugs |
| | |

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| 2 | previously. We had reached over 5,000 New Yorkers, |
| 3 | explaining to them the economic opportunity here but, |
| 4 | at the same time, we partnered up with ACS, |
| 5 | Administration Children's Services, to make sure that |
| 6 | lock boxes were handed out to families so that when |
| 7 | there is more cannabis potentially in the house, you |
| 8 | have lock boxes here to protect the children so we |
| 9 | are focused on the education and outreach efforts. At |
| 10 | the same time, we are also advising the Sheriff's |
| 11 | Office and the Sheriff has a Joint Compliance Task |
| 12 | Force team that is focused on making sure that |
| 13 | enforcement happens to the extent that it can at the |
| 14 | city level right now. There are some limitations from |
| 15 | the State law side of things, but we have about a |
| 16 | 3.6-million-dollar OTPS budget for Fiscal Year '25 |
| 17 | and we're able to use some of the money to create a |
| 18 | fast track. We have fast track programs for all |
| 19 | different business programs, but we made one |
| 20 | especially for the cannabis industry where anybody |
| 21 | who wants to into the industry can now go sign up for |
| 22 | a cohort to get educated for free on everything |
| 23 | related to cannabis and the business of cannabis, and |
| 24 | we've had over 300 people sign up just in the past |
| 25 | year. |
| | |

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| 2 | COUNCIL MEMBER BOTTCHER: The FY25 budget | | | | | | |
| 3 | | | | | | | |
| | is 3.6 million and your headcount is going to stay | | | | | | |
| 4 | steady in that unit? | | | | | | |
| 5 | COMMISSIONER KIM: Yes, so currently we | | | | | | |
| 6 | have four staff members plus an urban fellow, and we | | | | | | |
| 7 | expect to keep an urban fellow in this role. | | | | | | |
| 8 | COUNCIL MEMBER BOTTCHER: How would you | | | | | | |
| 9 | say it's going writ large with respect to making New | | | | | | |
| 10 | York City a global leader in the cannabis industry? | | | | | | |
| 11 | COMMISSIONER KIM: The cannabis industry, | | | | | | |
| 12 | we know, is a tremendous economic opportunity for a | | | | | | |
| 13 | lot of New Yorkers. At the same time, I think we know | | | | | | |
| 14 | that for the legal businesses to survive, to thrive, | | | | | | |
| 15 | that the unlicensed shops need to really be handled | | | | | | |
| 16 | and to be dealt with in the proper ways, and we know | | | | | | |
| 17 | that the cannabis industry is something that all eyes | | | | | | |
| 18 | in the world are on us because we will become the | | | | | | |
| 19 | global leader and, with Dasheeda Dawson's expertise, | | | | | | |
| 20 | we've been navigating through some of the challenges | | | | | | |
| 21 | that some of these lawsuits that were filed on the | | | | | | |
| 22 | state level have created, but we've helped over 1,000 | | | | | | |
| 23 | people understand how to apply what the opportunities | | | | | | |
| 24 | will be and just understand the nature of the various | | | | | | |
| 25 | licenses because it's not just a retail license like | | | | | | |
| | | | | | | | |

| 2 | you might have, they have nine different licenses, |
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| 3 | and people don't realize that you don't always have |
| 4 | to even touch the plant to be in the business. You |
| 5 | can be part of the delivery business or the security |
| 6 | business, right, so businesses that don't require to |
| 7 | either grow or sell directly these plants so these |
| 8 | are the education outreach efforts that we've been |
| 9 | working on. |
| | |

10 COUNCIL MEMBER BOTTCHER: So it's fair to 11 say that fulfilling the promise of addressing the 12 harms that cannabis prohibition had, that's being 13 really held back by the unlicensed shops and the 14 unlicensed industry.

15 COMMISSIONER KIM: I think it's difficult 16 for me here, sitting as SBS Commissioner, I might 17 have my own personal thoughts, but as SBS 18 Commissioner, I would say that we've been working 19 very closely with the Office of Cannabis Management to really try to support our legal businesses. Not 20 only is the license important, but they also have to 21 understand they're actually running a business and 2.2 23 so, from that end, we've been able to provide them with so many of our free resources, compliance 24 25 advisory and all the things that we do and, towards

| 1 | COMMITTEE ON SMALL BUSINESS 40 | | | | | |
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| 2 | | | | | | |
| | that end as more and more licensed cannabis | | | | | |
| 3 | businesses come online, we've been already in touch | | | | | |
| 4 | with many of them, helping them get to that point, | | | | | |
| 5 | but even once they're there, we'll continue to | | | | | |
| 6 | support them with all of our free business services. | | | | | |
| 7 | COUNCIL MEMBER BOTTCHER: I'm very happy | | | | | |
| 8 | to hear that the funding is sufficient, that the | | | | | |
| 9 | headcount is constant because, to me, this unit and | | | | | |
| 10 | your efforts are so important to ensuring that we do | | | | | |
| 11 | fulfill the promise that is there by cannabis | | | | | |
| 12 | legalization and that we do ensure that legalization | | | | | |
| 13 | of cannabis benefits the communities that were so | | | | | |
| 14 | disproportionately harmed for so many years so thank | | | | | |
| 15 | you for your efforts. | | | | | |
| 16 | COMMISSIONER KIM: Thank you. | | | | | |
| 17 | CHAIRPERSON FELIZ: Thank you, Council | | | | | |
| 18 | Member Bottcher, for raising a very important topic | | | | | |
| 19 | that. We need to have a lot of conversations about. | | | | | |
| 20 | I'll pass it on to our Majority Whip, | | | | | |
| 21 | Selvena Brooks-Powers, but briefly just wanted to | | | | | |
| 22 | throw out an idea before we fully move on from the | | | | | |
| 23 | issue related to BIDs. Very aware of the challenges | | | | | |
| 24 | that our community is facing when trying to form a a | | | | | |
| 25 | BID, including the challenges that you mentioned | | | | | |
| <u>.</u> | | | | | | |

| 2 | getting in touch with the landlord, but also having | | | | | |
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| 3 | someone not only landlord, but landlords, right, you | | | | | |
| 4 | have a lot of landlords that you need to get to the | | | | | |
| 5 | table. It'll be really interesting, and this is an | | | | | |
| 6 | idea that I haven't fully thought through, but just | | | | | |
| 7 | an idea, it'll be interesting if we can create | | | | | |
| 8 | temporary, part-time SBS positions and specifically | | | | | |
| 9 | give them the role of helping organize that specific | | | | | |
| 10 | community and temporary only because the hope is that | | | | | |
| 11 | in the future the idea would be turned into a | | | | | |
| 12 | reality, you'll perform a BID, and eventually it'll | | | | | |
| 13 | be permanent. That'll be very interesting. Again, | | | | | |
| 14 | considering that some communities don't have | | | | | |
| 15 | resources some of them have other challenges, | | | | | |
| 16 | language barrier, and etc. so it would be interesting | | | | | |
| 17 | if we could create part-time positions specifically | | | | | |
| 18 | in certain regions to help complete all the processes | | | | | |
| 19 | that are needed to form it. | | | | | |
| 20 | COMMISSIONER KIM: The only thing I would | | | | | |
| 21 | say to that is that also is part of why the Avenue | | | | | |
| 22 | NYC and Neighbor 360 grants are important because | | | | | |
| 23 | when we do give the money, we do expect sometimes in | | | | | |
| 24 | many cases, it depends on the proposal, but in many | | | | | |
| 25 | cases, they will use part of that money to hire | | | | | |

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| 2 | someone to help organize the community, and we feel | | | | | |
| 3 | that if you're from the community, that it might be | | | | | |
| 4 | more effective than if somebody over at One Liberty | | | | | |
| 5 | Plaza was trying to do it, but we'll definitely | | | | | |
| 6 | explore that option with you. Thank you. | | | | | |
| 7 | CHAIRPERSON FELIZ: Thank you so much. | | | | | |
| 8 | Now, Majority Whip, Selvena Brooks-Powers. | | | | | |
| 9 | MAJORITY WHIP BROOKS-POWERS: Thank you, | | | | | |
| 10 | Chair, and hello, Commissioner and Deputy | | | | | |
| 11 | Commissioners. It's always good to see you and, as | | | | | |
| 12 | always, I thank you for the work that you do, in | | | | | |
| 13 | particular in my District, and the responsiveness | | | | | |
| 14 | that I get from you. | | | | | |
| 15 | Just a couple of questions. First, in the | | | | | |
| 16 | PMR, in the SBS section, the report lists as a goal | | | | | |
| 17 | "increase the number of M/WBEs that obtain city | | | | | |
| 18 | contracts." Can you get more specific about what that | | | | | |
| 19 | goal looks like in Fiscal Year '25, what metrics is | | | | | |
| 20 | SBS using to measure this goal, and how does SBS | | | | | |
| 21 | intend to accomplish this goal? | | | | | |
| 22 | COMMISSIONER KIM: I'll turn it over to | | | | | |
| 23 | Executive Deputy Commissioner Dynesha Gross, who has | | | | | |
| 24 | worked in the M/WBE space for many years, and please. | | | | | |
| 25 | | | | | | |

2 EXECUTIVE DEPUTY COMMISSIONER GROSS: Thank you, Commissioner and thank you, Council 3 4 Member, for the question. Turning on the mic. Thank 5 you and good afternoon to everyone. We report on a quarterly basis on all of our work in the M/WBE 6 7 program and the number of firms winning contracts and the dollar value of those contracts and the 8 9 percentage of procurement and particular industry classifications that represents, but the unique 10 11 number of M/WBE winners, I think, is a very important 12 metric. We know that firms enter this program with 13 the hope of growing their businesses through 14 government procurement, and we have nearly 11,000 15 certified firms in the program right now. We want to 16 be sure that as many M/WBEs as possible have an 17 opportunity to present themselves as strong partners 18 for the City for the contracting needs that are 19 covered by the program's goals and other programs. 20 That unique number of M/WBE winners is a metric that 21 helps us focus on the effectiveness of the program 2.2 for the broad number of M/WBEs in the program, and we 23 want to see M/WBEs competing effectively and more M/WBEs having a chance at the opportunities that the 24 25 program creates. Last year, we had, I think, 1,900

| 1 | COMMITTEE ON SMALL BUSINESS 44 | | | | | | |
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| 2 | unique winners that we tracked in the program, and so | | | | | | |
| 3 | | | | | | | |
| 4 | we want to increase that number year over year. | | | | | | |
| 5 | MAJORITY WHIP BROOKS-POWERS: Thank you, | | | | | | |
| | and SBS says that construction mentorship for M/WBE | | | | | | |
| 6 | is a new need in this year's budget and that the goal | | | | | | |
| 7 | of the program is to centralize the current M/WBE | | | | | | |
| 8 | construction mentorship programs that are offered at | | | | | | |
| 9 | various City agencies. Can you talk about why you | | | | | | |
| 10 | feel the program needs to be consolidated and why you | | | | | | |
| 11 | believe it will be more effective when housed within | | | | | | |
| 12 | SBS, so will this eliminate M/WBE construction | | | | | | |
| 13 | mentorship programs at other agencies? If so, which | | | | | | |
| 14 | agencies will no longer have these programs? | | | | | | |
| 15 | EXECUTIVE DEPUTY COMMISSIONER GROSS: I | | | | | | |
| 16 | believe you're referring to the money that is | | | | | | |
| 17 | budgeted for use of the Mayor's Office of M/WBE to | | | | | | |
| 18 | launch the Citywide Construction Mentorship Program. | | | | | | |
| 19 | Our ability to launch this program is one of the | | | | | | |
| 20 | legislative victories that we have won authorization | | | | | | |
| 21 | for in Albany during this Administration. Currently, | | | | | | |
| 22 | the City has operated only a single formal | | | | | | |
| 23 | construction mentorship program. That is like a | | | | | | |
| 24 | project-based construction mentoring program with | | | | | | |
| 25 | contracts of certain dollar values available to | | | | | | |
| | | | | | | | |

2 M/WBEs that are benefiting from the education, 3 technical assistance, and that program was launched 4 by the Department of Design and Construction, I 5 believe, two Fiscal Years ago so this is an expansion of that set of work to other agencies in the city 6 7 that are delivering construction projects. The 8 program is being developed and will be led through 9 our Office of M/WBE, led by Michael Garner, but OMWBE's budget is one of the items in the 801 budget 10 11 code so funding for the program does appear in SBS' budget but the work to develop and manage that 12 13 program will be led by OMWBE. 14 MAJORITY WHIP BROOKS-POWERS: Thank you.

15 COMMISSIONER KIM: And I'll just add this 16 is a program that Chief Business Diversity Officer 17 Michael Garner really emphasized because he saw the 18 impact on the MTA and SCA level, School Construction 19 Authority, when he was there, and we believe that 20 this kind of organizing and centralizing this program 21 and expanding it to all the agencies will really 2.2 increase the number of M/WBEs and the dollar amounts 23 awarded to M/WBEs.

24 MAJORITY WHIP BROOKS-POWERS: Thank you 25 for that. One last question, Chair, if I can. One PEG

2 identified in the Preliminary Plan is for the M/WBE 3 program savings. Can you talk about what these 4 savings are? Is it possible that this PEG could 5 negatively impact the services and support SBS 6 provides to M/WBEs?

7 COMMISSIONER KIM: I had just briefly answered it previously because the 1.5 million 8 9 dollars that was allocated was for the disparity study that's required, and this year we were able to 10 11 contract and we're just going through the final steps 12 so that partnership we found with CUNY actually had cost savings and we don't need the 1 million dollars 13 to do the disparity study since it was taken care of 14 15 this year so there's no impact to our other M/WBE 16 programs. That savings primarily reflects the M/WBE 17 disparity study.

18 MAJORITY WHIP BROOKS-POWERS: That's good 19 to know because just a few weeks ago, my Committee, 20 the Committee on Transportation and Infrastructure 21 held a hearing. DDC was there. The Comptroller had 2.2 released a report that same day which showed very 23 poor performance in terms of M/WBE participation and, with the M/WBE program being led by SBS, I'm just 24 wanting to make sure that sufficient resources exist 25

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| 2 | within the agency so that the City can do its part to | | | | | | |
| 3 | help private businesses to be able to build its | | | | | | |
| 4 | capacity through City contracts, and so I'm looking | | | | | | |
| 5 | forward to working with the agency to see those | | | | | | |
| 6 | numbers improve. Thank you. | | | | | | |
| 7 | CHAIRPERSON FELIZ: Thank you, Council | | | | | | |
| 8 | Member. Now Council Member Krishnan. | | | | | | |
| 9 | COUNCIL MEMBER KRISHNAN: Thank you so | | | | | | |
| 10 | much, Chair Feliz. Good to see you, Commissioner, as | | | | | | |
| 11 | always and thank you for your dedication and | | | | | | |
| 12 | commitment to working with all our small businesses | | | | | | |
| 13 | from Jackson Heights and Elmhurst that we've done | | | | | | |
| 14 | together across the city, especially for our | | | | | | |
| 15 | immigrant-owned small businesses. | | | | | | |
| 16 | I just have a few questions. One is the | | | | | | |
| 17 | Small Business Resource Network is funded in FY24 via | | | | | | |
| 18 | the Council's Five Borough Chambers Alliance | | | | | | |
| 19 | Initiative, I think about 500,000, and a one-shot of | | | | | | |
| 20 | 1.5 million SBS' budget. The network offers support | | | | | | |
| 21 | to businesses across the city with website, | | | | | | |
| 22 | financing, operations, and all crucial services that | | | | | | |
| 23 | small businesses depend on in terms of technical | | | | | | |
| 24 | assistance and support. Would you support a | | | | | | |
| 25 | | | | | | | |
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| 2 | restoration and baselining of the funding for the | | | | | |
| 3 | Small Business Resource Network? | | | | | |
| 4 | COMMISSIONER KIM: What I'll say is that | | | | | |
| 5 | the Small Business Resource Network has been a great | | | | | |
| 6 | program for small businesses. The Chambers that we | | | | | |
| 7 | work with in particular, the Brooklyn Chamber of | | | | | |
| 8 | Commerce, Randy Peers is here today. We know that | | | | | |
| 9 | these programs are very important so we're looking at | | | | | |
| 10 | it right now on terms of the budget process as it | | | | | |
| 11 | continues and we're having discussions with OMB, and | | | | | |
| 12 | so we will say that, again, it's a great program and | | | | | |
| 13 | we've been very fortunate to partner with our | | | | | |
| 14 | Chambers on that. | | | | | |
| 15 | COUNCIL MEMBER KRISHNAN: I would hope to | | | | | |
| 16 | see it continue and the funding to continue given how | | | | | |
| 17 | vital the services are for small businesses. | | | | | |
| 18 | On that note too, another program, and | | | | | |
| 19 | we've talked about this before too, has been legal | | | | | |
| 20 | services for small businesses. I think that's | | | | | |
| 21 | crucial. I say it as a former legal services lawyer, | | | | | |
| 22 | but on the housing context and knowing that for rent- | | | | | |
| 23 | stabilized tenants, when it comes to leases and | | | | | |
| 24 | things like that, there are a lot of protections | | | | | |
| 25 | built in, though they're not enforced, but they are | | | | | |
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2 there, but the commercial setting, there's so few 3 protections, so many leases are one-sided, and so 4 many businesses come to us because of landlords that are harassing them, forcing them to leave, jacking up 5 their rents to an incredible rate that they're not 6 7 able to pay, and so really small businesses, their 8 survival depends on having access to legal services 9 that can help them, not just counsel them, but represent them in navigating these situations because 10 11 it's fundamentally not a fair fight when commercial 12 landlords have lawyers and small businesses don't, 13 and it's one of the biggest reasons that small businesses get priced out of this city and out of 14 15 their own places and stores is because of these 16 unequal bargaining dynamics, which legal services can 17 help to solve. I know the program exists. My 18 understanding is that the Commercial Assistance 19 Program, my understanding is that it's more brief 20 advice based, but I think, just like in the housing 21 context, we're moving to full representation, Right-2.2 to-Counsel for tenants, I just wonder what 23 conversations are happening with SBS, the Mayor's Office, the Mayor himself about how can we get to a 24 world where small businesses that need it can get 25

2 access to legal services to represent them in these 3 negotiations.

4 COMMISSIONER KIM: I'll start and then
5 I'll pass it over to my Executive Deputy Commissioner
6 Gross here.

7 The CLA has been, like you said, such a lifeline for so many small business owners. I think 8 9 that when people enter into a lease agreement, oftentimes, you're right, they're only thinking of 10 11 that immediate moment and then they don't think about the impact of the rent increases or the continuing 12 13 maintenance obligations that get passed off to them, 14 and so understanding what's in that lease line by 15 line is incredibly important, but most small business owners, as you know, half of all small business 16 17 owners are immigrant-owned and English necessarily 18 isn't their first language but, even people with 19 English as their first language, when you start 20 getting into the legalese of the contracts, you get 21 lost, and so this program has been valuable in helping people take advantage before they enter into 2.2 23 the lease but, too often, we see people who've already entered into the lease then come to the 24 25 program and so where we try to add value is in

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2 renegotiating the terms during the course of the
3 lease and definitely before they renew a lease, and I
4 think that's been extremely helpful, the free
5 Workshops and the free consultations we've done and
6 the actual services I think, I'll turn it over to
7 Executive Deputy Commissioner who's a lot more
8 experienced in this area as well.

9 EXECUTIVE DEPUTY COMMISSIONER GROSS: Thanks, Commissioner. I want to assure you that the 10 11 engagement of our vendor on CLA is a deep engagement 12 with businesses. It's not just a clinical model with 13 brief consultations. There's actual representation of 14 businesses at various stages of negotiation of their 15 commercial leases. The limit is litigation. It's pre-16 litigation representation, but it is a deep 17 engagement of those legal services and, in addition 18 to CLA, we are providing legal services to small 19 businesses through partnerships with VOLS, legal consultations through our Business Solution Centers, 20 other services for M/WBEs and WeNYC. 21 2.2 COUNCIL MEMBER KRISHNAN: Thank you, 23 Deputy Commissioner, and I'm glad to hear that. I hope that network and that investment not only 24

continues but expands because all of these groups,

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| 2 | legal services I know well, and the issue is always | | | | | |
| 3 | the need so far outpaces the capacity you all have. | | | | | |
| 4 | My final question if the Chair permits is | | | | | |
| 5 | just an issue that I know is personal to me, to you | | | | | |
| 6 | too Commissioner is when we, you touched upon it | | | | | |
| 7 | already, our Asian American businesses in particular | | | | | |
| 8 | whether it's in my District. in Council Member | | | | | |
| 9 | Zhuang's District, or across the City too, one of the | | | | | |
| 10 | biggest issues that we face in addition to the other | | | | | |
| 11 | two I just mentioned is language access and the | | | | | |
| 12 | importance of, we can have all these great programs, | | | | | |
| 13 | but it's so hard for our businesses and especially | | | | | |
| 14 | our AAPI-owned businesses to access these services | | | | | |
| 15 | because of language barriers, because they're so | | | | | |
| 16 | bureaucratically complex and that communication is so | | | | | |
| 17 | inaccessibility. Both language and cultural | | | | | |
| 18 | accessibility is so important. Have you given some | | | | | |
| 19 | thought and what thought, if any, have you given to | | | | | |
| 20 | what kinds of initiatives could we create or fund | | | | | |
| 21 | within SBS to support API owned small businesses? | | | | | |
| 22 | There's a subset of M/WBEs as well but the unique | | | | | |
| 23 | challenges that AAPI businesses face too. | | | | | |
| 24 | COMMISSIONER KIM: Thank you for that | | | | | |
| 25 | question. I think language access begins with | | | | | |
| l | | | | | | |

2 outreach initially in language, and one of the things that we've been actively doing is working with the 3 Mayor's Office of Ethnic Media, and we've been able 4 to hold community ethnic roundtables, and I make sure 5 that as many ethnic groups outlets are invited as 6 7 does Jose Bayona, he does a great job of that, and 8 then Mayor's Office of Immigrant Affairs, Manuel 9 Castro has also attended all of these meetings with me. We just held with Commissioner Rodriguez, a whole 10 11 community ethnic media round table around the Dining 12 Out NYC rollout because like you said, AAPI community 13 in New York city, they own according to the Asian American Federation, and 23 percent of all small 14 15 businesses so they have a disproportionate large 16 number of these businesses, and so whenever we do big 17 initiatives, we make sure to cover as many of the 18 languages. The New York City Small Business 19 Opportunity Fund, when we launched it last year, is a 20 prime example. Even though the law requires 10 21 languages, the top 10 most spoken languages, we made 2.2 sure to get the word out on day one in 22 languages. 23 The AI chatbot, the first ever in the country to have this, to help small business owners, initially the 24 25 very first pilot was in English, but soon, a few

2 weeks later, we updated it to include the 10 other 3 languages as well. We know that with the Asian 4 American business owners, we formed the Asian American Small Business Task Force during the 5 pandemic, and that has been ongoing. We also created 6 7 the first ever Latin American Small Business Task 8 Force, and so part of it is making sure we get the 9 organizations that are working with the small businesses in the community to come in to understand 10 11 it so that we can provide as much information to 12 them, and part of it is that they help get the word 13 out in language as well. Our outreach teams' language 14 capacity in itself, we cover Korean, Mandarin, 15 Cantonese, several dialects in Chinese for the AAPI 16 community of course, as well as Russian and Spanish 17 and many of the other required languages. I think the 18 key here also is that when we did a big push on 19 outreach through social media, we created this 20 character for our recreational vehicle. It's the RV 21 called Mobie, and, in Mobie just cartoonizing, I don't know if that's a word, but making it into a 2.2 23 caricature, cartoon style. We also have Mobie speak over 10 languages when we do our social media 24 25 outlets, not just in English, so he speaks Urdu and

25

2 some of the languages that that most people may never have heard of but is very important to the AAPI small 3 4 business community so we're proud of that. I think 5 the social media outreach using those kinds of creative techniques has been one of the big 6 7 highlights for SBS last year. We increased our views 8 of all of our postings by 45 percent to over 1 9 million views now. We've increased our following by 20 percent, we have over 116,000 followers now, and I 10 11 think the video views has increased by 500 percent. I 12 think when we're doing it in different languages, 13 more people are actually engaging and they're watching, and so the language access piece, I thank 14 15 you, you're a real champion of that because for SBS, 16 we know that we can have the most amazing programs, 17 but if people don't know about it, it's all for 18 naught, and so language access is a top priority for 19 us. 20 While we're on this outreach piece, 21 because it's very important, if you'll indulge us, we 2.2 wanted to share with you, and this has never been 23 public yet, because it's been a demo that we've been working on and just as a background, at the agency 24 during the pandemic, almost 100,000 people called our

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| 2 | hotline because people couldn't always access |
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| 3 | information just online in language, people called in |
| 4 | all various forms of language so we came up with this |
| 5 | little jingle that we wanted to just share with you |
| 6 | as just an example of how we're trying to be creative |
| 7 | in our outreach so if you'll indulge us for 20 |
| 8 | seconds. [JINGLE PLAYS] "SBS-4NYC, for New York |
| 9 | business owners, building economic security, SBS- |
| 10 | 4NYC, if you want economic security (INAUDIBLE) you |
| 11 | gotta dial 888-SBS-4NYC" |
| 12 | So that number 888-4, you like it? SBS- |

12 So that number 888-4..., you like it? SBS-13 4NYC is actually the telephone number. You like it? 14 COUNCIL MEMBER KRISHNAN: I like it.

15 COMMISSIONER KIM: We're trying try to be 16 less annoying than some of the, I don't want to name 17 them, but you will know which one I'm talking about, 18 but this also was partly inspired because we saw 19 Chair Feliz's Twitter over the weekend at SOMOS, 20 you're on stage with a guitar, and we thought you'd 21 all appreciate the musical talents at SBS too.

COUNCIL MEMBER KRISHNAN: I approve the beat. It was very good and, Chair Feliz, next time I have to see you play guitar too.

| 2 | I just wanted to say, Commissioner, thank |
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| 3 | you for your thorough response and just thank you for |
| 4 | your leadership in this regard when it comes to |
| 5 | language access and particular attention to our AAPI |
| 6 | communities. I know we've done events together, too, |
| 7 | in Jackson Heights and Elmhurst, and I hope to see |
| 8 | City Hall give you all, most importantly, more |
| 9 | resources to support that effort, more jingles, more |
| 10 | everything else. We're very appreciative, but thank |
| 11 | you for your leadership there. |
| 12 | COMMISSIONER KIM: Thank you, Council |
| 13 | Member. |
| 14 | COUNCIL MEMBER KRISHNAN: Thank you, |
| 15 | Chair. |
| 16 | CHAIRPERSON FELIZ: Thank you so much, |
| 17 | Council Member Krishnan. |
| 18 | Yes, we absolutely had a great time in |
| 19 | Albany last weekend. Music is great. |
| 20 | A few questions and, actually before the |
| 21 | questioning, going back to my earlier point, I think |
| 22 | the language barrier challenge that we have brings us |
| 23 | to the earlier point that I made potentially hiring |
| 24 | temporary outreach people from the community and |
| 25 | having SBS maybe train them on the different |
| | I |

| 2 | processes that need to be completed to form a BID so |
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| 3 | that they could do outreach in the community that |
| 4 | they're from. I think that idea could definitely help |
| 5 | resolve some of those challenges. |
| 6 | A few questions about funding. Today, our |
| 7 | Governor is in Albany talking about many different |
| 8 | topics including small business funding. Our Governor |
| 9 | in her Executive Budget, she included several |
| 10 | proposals geared towards economic development and |
| 11 | small businesses around the state. Has SBS determined |
| 12 | how much funding the City and SBS could receive from |
| 13 | the many proposals that we've heard? |
| 14 | COMMISSIONER KIM: Not yet. We'll look |
| 15 | into it and get back to you on that. |
| 16 | CHAIRPERSON FELIZ: Okay. When the |
| 17 | Governor provides funding for SBS-related matters, |
| 18 | how does that generally work? Is it easy to access |
| 19 | the funding? Does it take time? A lot of different |
| 20 | processes that could delay it? |
| 21 | COMMISSIONER KIM: I'll pass this to our |
| 22 | Executive Deputy Commissioner, Michael Forte. |
| 23 | EXECUTIVE DEPUTY COMMISSIONER FORTE: |
| 24 | Okay. Thank you. Hi. We access a bunch of different |
| 25 | funding sources and they all have different |
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| 2 | requirements, but we navigate them as necessary, and |
| 3 | our real objective is just to try to draw down as |
| 4 | much funding as possible to bring it into New York |
| 5 | City and basically whatever the requirements are, |
| 6 | we'll kind of alter our processes to do that, and we |
| 7 | haven't encountered any particular obstacles with the |
| 8 | funding that you are referring to. |
| 9 | CHAIRPERSON FELIZ: And how long does it |
| 10 | generally take to get access to the state funding |
| 11 | based on the many processes. |
| 12 | EXECUTIVE DEPUTY COMMISSIONER FORTE: It |
| 13 | just varies when it's allocated. A lot of times, |
| 14 | different funding sources, sometimes it will flow |
| 15 | through other agencies. Often times, we're allowed to |
| 16 | start spending on the programs before we actually |
| 17 | have the money in hand as long as we have a |
| 18 | commitment so it really, across all of our funding |
| 19 | streams, programs haven't been hindered because of |
| 20 | the administrative work necessary to draw down the |
| 21 | funding and, if anything, we want to put the focus on |
| 22 | allocate more to us and we'll just navigate whatever |
| 23 | the requirements are versus necessarily altering the |
| 24 | programs to make the requirements less burdensome. |
| 25 | |

2 CHAIRPERSON FELIZ: Okay. The Governor's 3 budget proposals also included 40.2 million dollars 4 to address property crimes and bring relief to small 5 businesses. How can SBS play a role in making sure 6 that our small businesses have access to any new 7 resources offered by the State. 8 COMMISSIONER KIM: On the budget side,

8 COMMISSIONER KIM: On the budget side,
9 I'll turn it over to Executive Deputy Commissioner
10 Forte.

11 On the retail theft question, I know 12 that's a big priority for you and for us as well. 13 Mayor Adams has always said public safety is the 14 prerequisite to prosperity, and he also hones in on 15 the importance of small business owners having safe 16 environments for customers to continue to come in, 17 and he formed the Retail Theft Summit last year. It 18 wasn't a one-and-done event. From that, we've formed 19 a number of subcommittees, and I personally sit on 20 two of the subcommittees. One is using technology to 21 prevent retail theft and the other one is local retailer theft challenges, and we have been active 2.2 23 participants at SBS on those subcommittees, and we hope that best practices will be shared amongst the 24 members. It includes business owners, small and big, 25

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and associations that also represent a number of small business owners as well as many agencies in the city so this kind of cooperative task force on retail theft hopefully will come up with more solutions to a problem that exists now but is trending downward.

EXECUTIVE DEPUTY COMMISSIONER FORTE: 7 8 Yeah, and on the state funding again, that's still 9 being finalized and deliberated in Albany, but the money becomes available in two different ways. One 10 11 way may be through the agency directly, where we would draw down the funds and distribute it to 12 13 businesses and people looking to start businesses. 14 Another way is where the state makes that funding available directly to businesses, and then we look at 15 ourselves as a catalyst and a way of spreading that 16 word. In both cases, we are very, very hungry for 17 18 more to try to get the word out. Anytime anyone's 19 going to make funding available, we want to take a 20 look at it and we find out, through various channels, 21 we have our IGA team watching it, we have a strategic initiatives unit that also looks to private funding, 2.2 23 grant opportunities, also part of the partnership with the Council. Anything that anyone becomes aware 24 of, please let us know. We're willing to put in the 25

1 COMMITTEE ON SMALL BUSINESS 2 work to look at it and to try to get those funds and 3 operationalize it.

4 COMMISSIONER KIM: I would say that the one way also when the state makes funding available 5 for small business owners through some kind of a 6 7 program grant, what we'll do is we'll make sure that information is on our NYC Funds Finder. That is also 8 9 the first in the country where the Biden/Harris Administration, they looked for a municipal partner 10 11 to roll this out and funded the entire project, where 12 we came in, partnered with them, and now there's a 13 one-stop-shop website, NYC Funds Finder, where any 14 small business can go and not just learn about New 15 York City loan and grant programs but they can access state loan and grant programs as well as federal and 16 17 no other city in the country has city, state, and 18 federal on one website, and the beauty of all this 19 too is that at the end of this website you can 20 actually connect to somebody who's a financing expert at one of our business solution centers because, 21 2.2 again, we recognize that not everyone can navigate 23 websites and we have populations for whatever reason they feel more comfortable with in-person. We make 24 sure that on this website you can connect directly, 25

1 COMMITTEE ON SMALL BUSINESS 63 2 make an appointment with the financing advisor, and then they can get their needs served that way. 3 4 CHAIRPERSON FELIZ: Yep, and just want to 5 thank you for that. You and your team have been extremely helpful with ensuring that our small 6 7 businesses have access to all the resources they 8 need. For example, if they're going to get an 9 inspection, making sure that someone goes in before the inspection to make sure that they know what 10 11 they're going to be inspecting and making sure that 12 all the pieces are where they need to be so they 13 could pass the inspection and they wouldn't have any 14 delays in opening their business or whatever the 15 matter is so I just want to thank you for that. 16 COMMISSIONER KIM: Thank you. 17 CHAIRPERSON FELIZ: On the issue of 18 funding, moving on to federal funding, coronavirus 19 pandemic obviously affected our city in many 20 different ways. It specifically affected our small 21 businesses. They had to shut down from one day to the 2.2 next, suffered economically and in many other 23 different ways, and the federal government was helpful with funding to help these small businesses 24

25 recover. Can you talk about that funding? How much

2 did we receive? What's the period for the funding?
3 I'm hearing we're getting close to depleting the
4 funds.

COMMISSIONER KIM: During the pandemic, 5 the federal funds came through the state and then to 6 7 us, and then we administered a number of different 8 big grant programs. We had 100-million-dollar grant 9 program, and then we had various other programs that also gave out hundreds of millions of dollars. I 10 11 don't remember the exact amount. It might have been 12 300, but it was one-time federal funds to make sure 13 that those businesses stayed alive and we were able 14 to take some of the remaining funds and use it to 15 create the New York City Small Business Opportunity 16 Fund that I put into my testimony. That investment, a 17 small investment, with great partners like Goldman 18 Sachs and MasterCard for MasterCard Center for 19 Inclusive Growth, allowed us to then leverage our 20 small city dollars into the largest public private 21 partnership loan fund, exactly 1,046 businesses 2.2 benefited and 80 percent were M/WBE, 69 percent were 23 BIPOC self-identified owners, 59 percent was in LMI communities, but the money got distributed to every 24 single City Council District so we were very. 25

2 creative in using whatever funds we had to then 3 multiply and leverage it, and that model is something 4 that now we're talking to a lot more folks about potential future public-private partnerships on all 5 levels. I'll give you one other example where The Ron 6 7 Mollis Foundation, Ron and Carrie Mollis Foundation, 8 they partnered with us to do NYCHA entrepreneurship 9 competition and they've done this two years now where they've awarded 20,000 dollars to 10 NYCHA businesses 10 11 in each of the two years and, by doing that, Small Business Services comes in, without ever putting 12 13 money in, but because of the relationships we have 14 and because of all the free business resources we 15 have, we're able to educate the business owners and do some of the work that you referenced, our New York 16 17 City Business Express Service Team, NYC BEST for 18 short, where we do compliance advising, we help them 19 navigate through government. If somebody is opening a 20 restaurant, we can help them understand how to get 21 their licenses and permits much faster than if they 2.2 were trying to navigate themselves. With the federal 23 funds, those one-time large investments, while they might not be there, we found other creative ways, 24 including the NYC Small Business Opportunity Fund, 25

and also one other way we've done this is we've done 2 3 a couple of federal partnerships with the NYC Funds Finder I had mentioned, again. We made sure that the 4 federal government would partner with New York City 5 and that they would put in the money, but that we 6 7 would provide all of the resources and access to our 8 small businesses. One last example, and I wish 9 Council Member Krishnan was still here, but the federal government wanted to do economic summits 10 11 around Asian American Native Hawaiian Pacific 12 Islander businesses, and they chose New York City as 13 a place to come and we partnered with them to make 14 sure that all of the businesses, M/WBEs, can get to 15 that summit where all the federal resources were also explained to them very clearly. I think the 16 17 partnership with the federal government is incredibly 18 important and, at SBS, we're always looking for 19 creative ways to work with them which doesn't 20 necessarily have to cost us money out of our pocket. 21 CHAIRPERSON FELIZ: Thank you. The Preliminary Plan includes 43.4 million in federal 2.2 23 funding. How much of this federal funding is COVID relief funding that's expiring at the end of the 24 25 year?

COMMISSIONER KIM: None of that is COVID 2 3 expiring. That is all for WIOA dollars for the 4 workforce development programs. Since we manage the 18 Workforcel centers, and that money goes to help 5 fund that. 6 7 CHAIRPERSON FELIZ: Yeah, and what are programs that will continue to receive COVID funds in 8 9 the current and the next Fiscal Year? COMMISSIONER KIM: I'll let you answer 10 11 this. 12 EXECUTIVE DEPUTY COMMISSIONER FORTE: I believe that the last of it is when the Commissioner 13 14 referenced in the Opportunity Fund, that would be the 15 last of that federal, the COVID and the ARPA funding that, that would be the end of it. 16 17 CHAIRPERSON FELIZ: Okay, so the Small Business Opportunity Fund will be the last program 18 19 related to federal funding? 20 EXECUTIVE DEPUTY COMMISSIONER FORTE: I 21 believe so, yes. CHAIRPERSON FELIZ: Okay. How will the 2.2 23 expiration of the federal COVID relief funds affect programming for SBS? 24 25

COMMISSIONER KIM: I don't think it'll 2 have impact on our programming because we have the 3 sufficient headcount. As I mentioned, we actually 4 have more than since the start of the Administration 5 so we have sufficient headcount. We have the 6 7 sufficient budget. A lot of our focus has been on the 8 outreach that I had explained and the real 9 understanding of, reaching out to more New Yorkers, getting into the communities with our Mobie the RV 10 11 truck. Moby has been to probably over 100 12 neighborhoods in the past year alone, and that is a 13 many, many-fold increase over what it had been doing 14 previous to that so examples of just being out there 15 with these sufficient resources and sufficient 16 headcount on our side has really led to helping 17 contribute to the economic recovery. The Mayor 18 yesterday announced record number of jobs again, the 19 second time we've broken this record in the past few 20 months. One in every six businesses in existence 21 today actually started since the Adams 2.2 Administration. I personally attribute a lot of it to 23 the Mayor and Deputy Mayor Maria Torres Springers', the Economic Blueprint that they were able to set 24 25 forth. If you read the Blueprint on the SBS side,

1 COMMITTEE ON SMALL BUSINESS 69 2 we've implemented almost all of the recommendations 3 there, and each one has had significant impact on the 4 overall economy. CHAIRPERSON FELIZ: Okay. Have we secured 5 other resources that will replace these federal funds 6 that we're no longer getting? 7 8 COMMISSIONER KIM: The pandemic era, 9 hundreds of millions of dollars of grants, that was a one-time national event. I don't see that coming back 10 11 unless there's another event like that, and hopefully there won't be. I really think that where it's 12 13 important is that as the federal government continues 14 to roll out new programs, that we're right there 15 partnering with them with as many of the rollout and accessing as much of that money because we do have 16 17 over 200,000 small businesses in New York City, and 18 we should make sure that we get our fair share of any 19 of those types of programs that come out of the 20 federal government. 21 CHAIRPERSON FELIZ: Okay. Some final 2.2 questions about the Small Business Opportunity Fund 23 so that's obviously a program designed to help small business owners by launching a public-private sector 24

1 COMMITTEE ON SMALL BUSINESS 70 loan fund directed at small businesses. How many 2 3 businesses have been served by that program? COMMISSIONER KIM: Over 1,000. It's 1,046 4 businesses to be exact at an average of 80,000 5 dollars per business. The favorable program that was 6 7 created was because, again, no minimum credit score. 8 The other unique part of this program was that 15 9 percent of all the awardees are startups, and the startups, as you all know, they have the toughest 10 11 time accessing capital, but what we're seeing in New York City is that there are a lot of women-owned and 12 13 minority-owned businesses that were starting since 14 the pandemic. They came out and got creative, they 15 didn't want to go work in an office setting 16 necessarily so there are a lot of new small 17 businesses that were starting, but they had no way to 18 access capital, and then our program address that 19 need by making sure that 15 percent, we think it's a 20 very significant number compared to any other program out there, of startups receive funding. Every City 21 Council District has received this funding and, as I 2.2 mentioned in the Bronx, 14 percent of the funds went 23 there and, traditionally, you've probably heard it 24 many times, the Bronx always felt like they weren't 25

| 1 | COMMITTEE ON SMALL BUSINESS 71 |
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| 2 | getting their fair share. In this case, I think they |
| 3 | did get their fair share. |
| 4 | COUNCIL MEMBER PALADINO: Only while it's |
| 5 | still on my head. Because we're jumping. I want to go |
| 6 | back to what you said here about the small, this is |
| 7 | really very interesting, about the interest rates for |
| 8 | small businesses. This is huge. That you're not doing |
| 9 | the credit, you're not doing the… (CROSS-TALK) |
| 10 | COMMISSIONER KIM: Minimum credit scores. |
| 11 | COUNCIL MEMBER PALADINO: Talk to me about |
| 12 | that. |
| 13 | COMMISSIONER KIM: Yes, so that's huge |
| 14 | because you could be a business that is, let's say, |
| 15 | just example, your expenses are 5,000, your income is |
| 16 | 10,000, so every Month you're making 5,000 a month |
| 17 | but, along the way while you were building up your |
| 18 | business, while you had to buy that kitchen |
| 19 | equipment, whatever it was, maybe you missed a credit |
| 20 | card payment, minimum payment of 100 dollars here and |
| 21 | there, and all these factors start hitting your |
| 22 | credit score So if you went to a bank with those |
| 23 | numbers and said hey, look, I'm positive, I'm |
| 24 | cashflow positive, but they're like yeah, but your |
| 25 | credit score is like 600 or maybe not 600, 500, so |
| | |

2 sorry, you don't apply and so right there without 3 even having that discussion, they were knocked out but in this fund, because we partnered with eight 4 community development financial institutions, CDFIs, 5 who are non-profit lenders, whose mission is to make 6 7 sure the money gets deployed to deserving businesses, they would sit down with the business owner and not 8 9 worry, there is credit score information that might be important, but it wasn't based on that one cut-off 10 11 number. They're able to then look at the particular business situation and say, look, wow, you're making 12 13 5,000 a month, and this loan repayment would require you to pay 300 dollars a month or 400, we think you 14 15 can do it and we're going to support you and, by the way, we're going to connect SBS to you because 16 17 they're going to provide you with the compliance 18 advisor, the small business advocate, other types of 19 technical assistance programming to make sure you can 20 survive in your business, thrive in your business, 21 and repay the loan, right? At the end of the day, it's still a loan, but they wanted to create an 2.2 23 environment and a setup where they had every support needed to be able to successfully participate in the 24 25 program, and so that's why the startups, 15 percent

2 of them, right, that's over 100 businesses, all these MWBEs that have been turned down multiple times from 3 traditional lenders, and they were now able to hire 4 people. I use that Buunni Coffee example. They're so 5 unique because not only are they able to expand to 6 7 another cafe, but they're able to use this money to 8 create the roastery itself, right, so now they're on 9 the manufacturing side, and what's great about that is there's so many small mom-and-pop independent 10 11 coffee shops all around the city, and it's hard for 12 them to compete against sometimes the Starbucks of 13 the world. I was going to not name any particular 14 corporation, but one of the larger chain 15 corporations, but now they have a unique advantage 16 because you've got this mom-and-pop roastery that's 17 creating Ethiopian, taking Ethiopian beans and 18 creating unique flavors and that these small mom-and-19 pops can buy from them or probably offer to white 20 label their own coffee beans as well, and now you've 21 got an economy upon an economy and so this is the kind of leveraging of the money, the smaller dollar 2.2 23 amounts that we want to maximize for economic growth. COUNCIL MEMBER PALADINO: Because there's 24 so many young people, ages 25 to let's say 35. 25

2

5

COMMISSIONER KIM: Yes.

3 COUNCIL MEMBER PALADINO: Entrepreneurship4 is key.

COMMISSIONER KIM: Yes.

COUNCIL MEMBER PALADINO: And that's what 6 7 they want to be. They're entrepreneurs, and they've got great ideas and lots of times they go to their 8 9 mothers and fathers and they ask their moms and dads for some startup money. In today's world, it's really 10 11 not possible to give them what they need. I'm interested in taking back a lot of this information 12 13 that I'm getting today. Plus, we're going to have 14 another conversation because I am going to do a town 15 hall in my District. COMMISSIONER KIM: Awesome. 16

17 COUNCIL MEMBER PALADINO: And this way we 18 could bring in what I hope to be a couple hundred 19 people so they could actually hear what you have to 20 offer. Again, knowledge is power. People do not know to the extent of how far you go unless you're sitting 21 here on this panel, if anybody's listening to this on 2.2 23 our NYC channel, which would be great but most are not. I think bringing you to the community, us taking 24 our knowledge to our communities. We're key in 25

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| 2 | revving up small business through you so we are your |
| 3 | best public advocates as elected officials. |
| 4 | COMMISSIONER KIM: Absolutely. |
| 5 | COUNCIL MEMBER PALADINO: But my concern |
| 6 | does lie a lot with the entrepreneurs and these kids. |
| 7 | I don't want to see them give up. They're young |
| 8 | people, they got their whole future ahead of them, |
| 9 | and they got some great ideas, but they have no money |
| 10 | so I'd like to dive more into how we go about doing |
| 11 | that. |
| 12 | COMMISSIONER KIM: We'd be happy. I |
| 13 | personally would be very happy to go back to my old |
| 14 | neighborhood. |
| 15 | COUNCIL MEMBER PALADINO: I was going to |
| 16 | say it's your hometown (CROSS-TALK) |
| 17 | COMMISSIONER KIM: Yes, and we did our |
| 18 | walk there and it was walking down memory lane and |
| 19 | happy to talk to the entrepreneurs. I think what we |
| 20 | see at SBS is even beyond the capital access side, |
| 21 | we're able to get best practice ideas. I'll give you |
| 22 | a quick example. The toy stores around the city, they |
| 23 | were struggling competing against the big online e- |
| 24 | commerce companies and so we convened them all, or as |
| 25 | many, there was over 20 that came, I'm sure there are |
| | |

2 many more, but we invited all of them. We found them, 3 we invited them, and when they sat there talking to 4 each other, one of the ideas that came up was that even the bags themselves that they give out their 5 gifts when somebody purchases and the bags could have 6 7 cost them 50 cents on the dollar, but now working 8 together, if they buy together in bulk, they could 9 get that cost down sometimes to 35 cents, 30 cents, and just that alone by talking to each other so those 10 11 are ideas that I would love to come share with your 12 District and your businesses there because, again, 13 and I'm told I need to plug the May Small Business Resource Fair. It's going to be in Queens as well, in 14 15 every borough we're having it, and May is Small Business Month, so if there's anything you'd like to 16 17 partner up with us on, we'd love to do it in your 18 District. Thank you. 19 COUNCIL MEMBER PALADINO: Thank you very 20 much. 21 CHAIRPERSON FELIZ: Thank you, Council Member Paladino. 2.2 23 I would also like to acknowledge Council Member Sanchez, who has joined us via Zoom. 24 25

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2 A few more questions about the Small Business Opportunity Fund. You gave us some details, 3 4 it's a public-private partnership, a loan. Could you give us a little bit more details how long the loan 5 is for? What's the maximum amount? 6 7 COMMISSIONER KIM: Sure. It was up to 8 250,000, dollars and the average was 80,000 per loan. 9 We actually anticipated early on that maybe people would be seeking about 50,000 on average, and so 10 11 that's why we estimated maybe a slightly higher 12 number getting it, but we really wanted to 13 personalize, individualize this particular program to 14 make sure that we didn't just set a dollar amount and 15 say everyone gets the same amount because not every business has the same need so this Buunni Coffee 16 17 example of getting 100,000 actually allows them to 18 open this roastery. If we gave them just 50,000, they 19 can't really open half a roastery, so they wouldn't 20 have been able to do anything with it. It would have 21 helped in other respects, but we wanted to the money 2.2 to go where it could have the greatest economic 23 impact, not just for that business, but for that community and for the industry of business owners 24 that are in that field. It's a five-year loan period. 25

1 COMMITTEE ON SMALL BUSINESS 78 I believe at a certain dollar amount, it's six years. 2 3 I forget which, when it gets a higher dollar amount, 4 I think it might be a six-year amortization and otherwise it's a five-year. 5 CHAIRPERSON FELIZ: Okay, is it an 6 7 interest free loan? COMMISSIONER KIM: Oh, 4 percent, 4 8 9 percent. CHAIRPERSON FELIZ: Okay. 10 COMMISSIONER KIM: Which is below market 11 12 rates. At the time when we launched it, I think 13 interest rates were as high as 7, 8 percent. 14 CHAIRPERSON FELIZ: Right. 15 COMMISSIONER KIM: And this is where I 16 really do have to give credit to our partners, like 17 Goldman Sachs and MasterCard Center for Inclusive 18 Growth to really come in and say, hey, we see the 19 need, we want to be helpful, and what we're trying to do now is take this model that's been so successful. 20 Other cities have been interested in it. We just did 21 a national convening of SBSes of the United States, 2.2 23 and we had almost like 22 cities actually joined and, when we talk about models like this, they were like, 24 wow, that's very innovative, we want to see how we 25

| 1 | COMMITTEE ON SMALL BUSINESS 79 |
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| 2 | can do it in their city. What we want is the |
| 3 | corporate America and private partners to take more |
| 4 | note of it, other than just Goldman Sachs and |
| 5 | MasterCard, and say, we want to be part of this |
| 6 | version of 2.0. |
| 7 | The threshold for the longer term, okay, |
| 8 | so anything 100,000 or over is six years, and |
| 9 | anything below is five years. |
| 10 | CHAIRPERSON FELIZ: Okay, and what are |
| 11 | industries that were served through this program and |
| 12 | also how does SBS decide which businesses are awarded |
| 13 | these funds? |
| 14 | COMMISSIONER KIM: So most represented |
| 15 | industries, 15 percent food service, 15 percent |
| 16 | retail, 14 percent professional, scientific, and |
| 17 | technical services category, and, while we helped |
| 18 | design the program and partner up we had an |
| 19 | administrator, CRF, that did then work with the eight |
| 20 | CDFIs. I think the real notable point here too is |
| 21 | that, and I give so much credit to my team, in that a |
| 22 | lot of times when you create a big program like this |
| 23 | and there's going to be over 1,000 businesses and |
| 24 | tens of millions of dollars, it's easy to just say, |
| 25 | we're going to take the three or four biggest CDFIs |
| l | |

2 and just work with them, but we had an intentional mission on this Opportunity Fund. We said, let's hit 3 it all, let's go for it all, and we wanted to make 4 sure that we could help support capacity building in 5 the smaller CDFIs so some of the relatively smaller 6 7 CDFIs, we wanted to bring them in and those are the 8 CDFIs that are really closely connected to 9 historically underserved communities. We wanted to make sure they were part of this program so when they 10 11 came in, we were able to support them, and I think 12 now having gone through this experience, and it was 13 like drinking water out of a fire hose. In the first couple of weeks, we had over 10,000 people express 14 15 interest so the processing by the CDFIs, it was the CDFIs who made the decision on a case-by-case basis, 16 17 so SBS just helped design and oversee, but we didn't make any decisions directly, because we really wanted 18 19 to leave it up to the community-based non-profit 20 lending institutions who know their community the 21 best to figure out where the money should go and how 2.2 much of the money should go there. 23 CHAIRPERSON FELIZ: Okay. Moving on to questions about our smallest businesses, our vendors, 24

25 so what are services available to them? How many,

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| 2 | what are programs available, resources? How many |
| 3 | different regions and vendors have we served in the |
| 4 | last year? |
| 5 | COMMISSIONER KIM: When you talk about our |
| 6 | smallest vendors, I believe you're talking about our |
| 7 | street vendors? |
| 8 | CHAIRPERSON FELIZ: Street vendors, yes. |
| 9 | COMMISSIONER KIM: Because we at SBS also |
| 10 | consider street vendors to be the smallest of our |
| 11 | small businesses. We have, from Fiscal Year '21 to |
| 12 | '23, worked with QEDC, Queen's Economic Development |
| 13 | Corporation. They received a 634,000 Neighborhood 360 |
| 14 | grant to support vending organizing in Corona Plaza |
| 15 | in Junction Boulevard. In Fiscal Year '23, the Street |
| 16 | Vendor Project that we've partnered with received the |
| 17 | 410,000 Merchant Organizing grant in Harlem, Sunset |
| 18 | Park, and Fordham Road. The SVP, Street Vendor |
| 19 | Project Managing Director, Mohamed Attia, sits on our |
| 20 | Mayor's Small Business Advisory Commission. Now |
| 21 | that's a commission that came out of the Blueprint |
| 22 | where there are 49 members and many actual small |
| 23 | business owners, and we also have the Chambers of |
| 24 | Commerce and other organizations, but we have actual |
| 25 | small business owners sitting there, but Mohamed |
| | |

2 Attia is part of our Small Business Advisory 3 Commission. One of the recommendations that came out 4 of that last year was to do a study to be able to best plan for time, place, and manner and that's 5 something that is getting done this year, hopefully 6 7 by the end of the Fiscal Year, and we'll be able to 8 see best how and what resources that might need to be 9 get done. We did a mailing in Fiscal Year '24 to 22,000 mobile food vendors on supervisory licenses. 10 11 We wanted to make sure that they understood the 12 opportunities and the laws and being compliant. We offer all of our business service, almost all of our 13 14 business services to street vendors that come and ask 15 at our Business Solution Center. We don't ask and say 16 are you a street vendor? It's more anybody, and we 17 don't ask for immigration status. We just serve 18 businesses that come through our seven Business 19 Solution Centers, ask for whatever help they need, 20 and we provide try to offer as best as we can all the services. 21

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CHAIRPERSON FELIZ: Yep, and we really appreciate the partnership that all of you have had, especially with the Street Vendor Project so really

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1 COMMITTEE ON SMALL BUSINESS 2 appreciate all the, and Council Member Paladino has a 3 question.

4 COUNCIL MEMBER PALADINO: Concerning the street vendors, we have a problem in my District. I 5 really need to know when we have, let's take Bell 6 7 Boulevard for prime example, we have vendors that are 8 setting up directly in front of and mirroring a 9 business that is paying rent on the boulevard. It's literally a truck, several trucks down Bell, but this 10 11 one particular vendor is actually, like I said, doing exactly what the storefront is doing, and it's just 12 not right. While I understand a street vendor needs 13 to make their money, and I believe in it, 100 14 15 percent, the problem is their locations and such. Do 16 we have any sort of ruling or any kind of things that they need to follow through small business practices 17 18 because they cannot continue to impede upon people 19 who are struggling in bricks and mortar. While I 20 believe in vending, I believe that there's a place 21 for vending, and I know years ago, there used to be a 2.2 favorite hot dog guy was right outside the Whitestone 23 shopping center. His name was Jim and a retired fireman, but the vendors always knew a place to be so 24 they would never, like I said, taking food out of 25

2 somebody who's paying big money for bricks and mortar 3 and really struggling so what can you help me out, 4 how can you help me with that?

COMMISSIONER KIM: I think that's what the 5 primary purpose of the study is. It will really focus 6 7 on time, place, and manner, and I think that's what 8 addresses your concern. There should be places that are appropriate at the time that's appropriate and in 9 the manner that's appropriate. There are laws in 10 11 place. We at SBS are not a regulatory agency except 12 for our Small Waterfront Permits Department. They 13 just deal with a very specialized area but, other than waterfronts, none of our divisions have any 14 15 regulatory power. I think, as you know, the Mayor has put the enforcement powers on the compliance with any 16 kind of laws related to street vending with the 17 18 Department of Sanitation, and so they would be the more appropriate agency to speak to. For us, at SBS, 19 20 we just want to make sure that anybody who comes to 21 us with a business, we can offer as many of the 2.2 services because at the end of the day, a successful 23 business hires people. Those record number of jobs when it's 4.7 million jobs that were created in New 24 25 York City, the record number, over a million are

| 1 | COMMITTEE ON SMALL BUSINESS 85 |
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| 2 | hired by small businesses alone, and so, without the |
| | |
| 3 | small businesses, the city would not look the same. |
| 4 | Companies under 50 employees, small businesses make |
| 5 | up 94 percent of all companies under 50 employees so |
| 6 | these are very powerful numbers that have real |
| 7 | community impact attached to them and, at SBS, |
| 8 | whatever business you're in, we want to be supportive |
| 9 | so that's something that I'll defer to you. Thank |
| 10 | you. |
| 11 | COUNCIL MEMBER PALADINO: Thank you. |
| 12 | CHAIRPERSON FELIZ: Thank you.I'd also |
| 13 | like to acknowledge Council Member Hanks, who has |
| 14 | joined us. |
| 15 | A few more questions. The next related to |
| 16 | the Center for Workplace Accessibility and Inclusion. |
| 17 | It was announced that a new two-part investment to |
| 18 | support career advancement for those with |
| 19 | disabilities and expand access to internships and |
| 20 | training. Can you provide an update on the launch of |
| 21 | the Center for Workplace Accessibility and Inclusion? |
| 22 | COMMISSIONER KIM: Absolutely. We were |
| 23 | able to hire somebody we were working with the |
| 24 | Mayor's Office of People with Disabilities. This is |
| 25 | at our Brooklyn Workforcel Center, and we're looking |
| | |

| 1COMMITTEE ON SMALL BUSINESS2forward to all of the implementation of the plan3we know that it's important to be able to give t4same access to people with disabilities. The5initiatives will feature curated trainings and,6again, we've already hired the staff to pilot th7initiative in the spring, and we can also connect8with Mayor's Office of People with Disability an9Office of Talent, NYC Talent, that is really in10charge of this initiative.11CHAIRPERSON FELIZ: Do you have any dat13success rate after six months?14COMMISSIONER KIM: For?15CHAIRPERSON FELIZ: For the new office16for the new Center for Workplace Accessibility and17Inclusion.18COMMISSIONER KIM: You mean in terms of19how would we answer that question? I'm not sure. | |
|---|-------|
| 3 we know that it's important to be able to give t 4 same access to people with disabilities. The 5 initiatives will feature curated trainings and, 6 again, we've already hired the staff to pilot th 7 initiative in the spring, and we can also connect 8 with Mayor's Office of People with Disability an 9 Office of Talent, NYC Talent, that is really in 10 charge of this initiative. 11 CHAIRPERSON FELIZ: Do you have any da 12 on the rates of success either obtaining a job a 13 success rate after six months? 14 COMMISSIONER KIM: For? 15 CHAIRPERSON FELIZ: For the new office 16 for the new Center for Workplace Accessibility a 17 Inclusion. 18 COMMISSIONER KIM: You mean in terms of | |
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| 17 Inclusion. 18 COMMISSIONER KIM: You mean in terms of | , |
| 18 COMMISSIONER KIM: You mean in terms o | nd |
| | |
| 19 how would we answer that question? I'm not sure. | f, |
| | Oh |
| 20 yeah, it's being launched, it hasn't quite launc | ned |
| 21 at the initiative, and then it's being managed b | Y |
| 22 MOPD, Mayor's Office of People's Disability. It' | 5 |
| 23 just using our Workforcel Centers, but they're t | ne |
| 24 ones managing the program with Talent, Office of | |
| 25 Talent so we can connect you. | |

| 2 | CHAIRPERSON FELIZ: Final question. |
|----|---|
| 3 | Obviously, our small businesses have a lot to offer. |
| 4 | They have a lot to offer to their local community, |
| 5 | but to the city as a whole, and it could be tough for |
| 6 | those disadvantaged commercial corridors to market |
| 7 | themselves so that everyone else can see what they |
| 8 | have to offer so is there anything that we, any |
| 9 | programs that we have on the issue of marketing so |
| 10 | that everyone could know what the different |
| 11 | businesses have to offer? |
| 12 | COMMISSIONER KIM: Absolutely. I think a |
| 13 | key component of marketing is to work and reach out |
| 14 | to New York City Convention and Tourism. I think if |
| 15 | you look at the numbers, when mayor Adam says New |
| 16 | York City is back, he's able to back it up with all |
| 17 | the numbers, and we have just an increasing rise of |
| 18 | tourism, over 63, 64 million tourists have been here. |
| 19 | What I would say is for Districts to work with the |
| 20 | tourism convention, work with us. I think what we've |
| 21 | heard from small business owners is that NYC Link, |
| 22 | those little poles where people can charge, they also |
| 23 | have free programs for marketing for small business |
| 24 | owners, and I don't think many small business owners |
| 25 | know that so that's something I think that would |

highly recommend. Other things that we've done with, 2 3 or I have discussions with when I walk the corridors was like, for example, Council Member Salamanca in 4 5 his District. I think there were murals that were being put up right outside of areas that had a lot of 6 7 graffiti previously and, in some of the other Districts too, the murals have become a tourist 8 9 attraction, and then I'll point to Murray Hill in Flushing. What they've found is that individuals who 10 11 live in the Bronx, because of the rise of Korean pop 12 culture and Korean dramas on Netflix, apparently 13 people organize busloads to go visit Murray Hill as 14 if they're visiting Seoul, like little Seoul, and I 15 think that kind of exchange could happen two ways, 16 where if you can get amongst Council Members even 17 just sharing one unique aspect to help organize these 18 field trips to the other Districts. That's something 19 that I would really focus on. Then the merchant 20 organizers, the Merchant Associations, we've been 21 really partnering with them and then I think with the 2.2 Chambers of Commerce Chamber on the Go program and 23 the SBRN. EDC actually manages that you had referred to. I think getting the small businesses to become 24 more savvy online, the digital marketing, we had 25

2 partnered up with MasterCard as well to provide free 3 digital marketing, and I think just helping to 4 promote their particular uniqueness about them is something to do. I think with small business owners, 5 one of the other things I've seen is that they want 6 7 to drive more foot traffic so sometimes partnering up 8 with popular online brands that are only online, if 9 you're a very popular sunglass small business owner in an area that maybe doesn't have as much traffic 10 11 but has a uniqueness to it that might attract New 12 Yorkers and tourists alike, they can reach out to 13 some of these companies and say, hey, look, you're popular online, you don't have a storefront presence, 14 15 we pay rent, we have the storefront residence, and we 16 sell sneakers, and so maybe sunglasses and sneakers 17 aren't the best pair, but let's say hat and 18 sweatshirts, maybe better combo. You sell hats, we 19 sell sweatshirts. Why don't you borrow or sublease a 20 space in our store to sell your online wear and then 21 people who find them and follow them online will go 2.2 to that store just to go test and feel and touch 23 things that they couldn't do otherwise but, at the same time while they're checking out the hats, they 24 25 see these cool sweatshirts that are very

2 neighborhood-based. I know up in the Bronx, there's a 3 group of guys that are really branding the Bronx 4 name. I think Randy Peers at Brooklyn Chamber has done an incredible job branding the Brooklyn-made 5 products, and I think every borough, there should be 6 7 a Queens-made one, there should be a Brooklyn-made 8 one. I don't know if the Manhattan one will do very 9 well, but the rest of the boroughs, I think should all have their brand, and they should have a store 10 11 space to combat the high cost of rent by sharing 12 retail space, whether it's a popular online brand or 13 with other complementary businesses so these are some of the things that I think we're looking at SBS. 14 15 We've been studying it very closely. We understand 16 that storefront vacancy was something that we want to 17 address head on this year. 18 CHAIRPERSON FELIZ: Thank you. Thank you 19 so much. 20 Any other questions? All right, thank you 21 so much for your testimony. We really appreciate all 2.2 the information you provided. You were very specific 23 with all the details so we appreciate it and, yeah, look forward to continuing our work on the many 24

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1 COMMITTEE ON SMALL BUSINESS 91 topics that we talked about. Thank you for joining 2 3 us. 4 CHAIRPERSON FELIZ: Thank you very much, and we expect to see you with the guitar at the next 5 6 show. 7 CHAIRPERSON FELIZ: Yes, we will. COMMISSIONER KIM: We'll do a video 8 9 presentation of our jingle. You do it with the guitar, please. Thank you. 10 CHAIRPERSON FELIZ: I'll think about it. I 11 heard she's a pianist, right? 12 13 All right. Thank you so much, and I'll 14 pass it back to the Committee Counsel, Jessica 15 Boulet, so she could open it up for public testimony. 16 COMMITTEE COUNSEL BOULET: Thank you, 17 Chair, and thank you so much to our panelists today. 18 We'll now turn to public testimony. I 19 will call up panelists three at a time. 20 I'd like to remind everyone at the outset 21 that every panelist will have two minutes to present 2.2 their testimony. No recording is permitted while 23 presenting testimony, and please wait to begin until the sergeant has started the timer. 24 25

I will open it up for Council Member questions after each panel in full has completed their testimony.

All right so to begin, I'd like to invite
Tshering Gurung, Randy Peers, and Meredith Phillips
Almeida.

8 All right, thank you, and Randy, if you'd9 like to begin, we can go your right to left.

10 RANDY PEERS: Great. Thank you, Chair 11 Feliz and the Small Business Committee Members, 12 appreciate you having me here today. I'm Randy Peers, President and CEO of the Brooklyn Chamber of 13 14 Commerce. I do want to say, Mr. Chairman, your 15 comprehensive questioning of the Commissioner gave me 16 all this other stuff to talk about. I'm going to get 17 through my testimony quickly, which you have written 18 anyway. Brooklyn Chamber of Commerce is the leading 19 voice for the small business community in Brooklyn, 20 62,000 businesses in total in Brooklyn. One of the 21 programs that came up a couple of times, including 2.2 from Council Member Krishnan, was the Small Business 23 Resource Network, of which both the Administration as well as City Council have a part to play in that. 24 It's one of the COVID era programs that can continue 25

2 if we receive restored funding. Meredith is going to 3 speak about it more directly, but the bottom line is 4 it's called the Five Borough Chamber Alliance in the Council side, 500,000, which of course we're asking 5 for a restoration, and then the 1.5 million one-shot 6 7 included in the SBS budget for Fiscal '24, which will 8 help to expand and maintain the SBRN in underserved 9 commercial corridors throughout the borough. Once again, Meredith is going to talk a little bit about 10 11 that a little bit further, but you raised a good 12 point about the state. When we talk about the retail 13 theft mitigation efforts, tax credits are at the top 14 of the list in terms of the government's proposals, 15 right? If we offer tax credits for retail theft 16 mitigation like we installed security cameras, but no 17 small business knows about it, you've now got you've 18 got a tax credit that nobody can use, right, but the 19 Small Business Resource Network, because it's a case 20 management and outreach model, where we deploy 21 resource specialists in every neighborhood, in every 2.2 community through all five chambers, so it's not just 23 the Brooklyn Chamber, is a mechanism, we speak 14 different languages, it's a mechanism, for example, 24 25 this is one example of how we can get more resources

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| 2 | in the hands of businesses because we have the teams |
| 3 | on the ground. That was a very good observation |
| 4 | there. Oh, that's it. Chamber on the Go, restore, and |
| 5 | we have a speaker ask, 150,000, specifically to |
| 6 | support M/WBE certification efforts. |
| 7 | MEREDITH PHILLIPS ALMEIDA: Good |
| 8 | afternoon. Thank you, Chair and Committee Members. As |
| 9 | Randy mentioned, my name is Meredith Phillips |
| 10 | Almeida. I'm here to speak specifically about the |
| 11 | Small Business Resource Network and request the |
| 12 | restoration and baselining of the 1.5 million that |
| 13 | appeared in FY24 into FY25 and also for the |
| 14 | restoration of 500K for the Five Borough Chamber |
| 15 | Alliance. At this moment, there is no funding SBRN in |
| 16 | FY25 budget so we're here to talk about how important |
| 17 | this program is. Launched in 2020 as a pandemic |
| 18 | business recovery effort, SBRN is a comprehensive |
| 19 | approach to small business resiliency that offers |
| 20 | free personalized guidance for small businesses and |
| 21 | incorporates a few special sauce components. Also, I |
| 22 | always like to talk about field outreach, meeting |
| 23 | businesses where they are, at times serving |
| 24 | businesses where they are, and the ability to connect |
| 25 | businesses to resources from both the public and |

private sector. Again, originally launched as a 2 pandemic recovery effort, we're still out there 3 4 today. Our team is serving thousands of businesses. I don't need to tell you that we don't need a pandemic 5 for small businesses to need support so the need is 6 7 still relevant and important as ever. Our team is in the field, like Randy said, communicating in multiple 8 9 languages, connecting businesses who are traditionally disconnected from information about 10 11 these support services in a case management model. 12 It's not about just sending an email or saying let's attend a webinar. When extra support is needed, our 13 14 team is there to handhold, to help complete 15 application, to stay involved for an extended period, 16 especially when humans are required for problem-17 solving, right? This is what is needed. I always say 18 that, if you've heard me talk about this before, I 19 say this all the time, I think the key to resiliency 20 is knowing where to find help before you are in 21 crisis. When you have a flood or your refrigeration system breaks down, that's not the time to start 2.2 23 Googling and figure out where you need help so what I think is key to our program is our team is making 24 relationships through trust in the field, creating 25

2 these relationships so businesses know where to go 3 and connect to these in city and private sector 4 programs. Thank you.

TSHERING GURUNG: Good afternoon, Chair 5 Feliz and all the Members of the Finance and Small 6 7 Business Committee. It's a pleasure to be here today. 8 My name is Tshering Gurung, and I'm a Senior Manager 9 of Business Development and Training at Accompany Capital, which is a certified community development 10 11 financial institution established in 1997, and I heard Commissioner speak about CDFI so it was really 12 13 good to hear the work that we have done, and Accompany Capital's mission is to create pathways to 14 15 prosperity for immigrant, refugee, and underserved 16 entrepreneurs across the city by providing access to 17 affordable credit, financial education, and training 18 in technology and best business practices. We also 19 offer free webinars, community resource fairs and 20 workshops as well as Matching Savings Program for 21 refugees sponsored by the Federal Government Office 2.2 of Refuqee Resettlement. Our diverse staff speak over 23 12 languages and dialects, including Spanish, Urdu, Russian, French, and Nepali. We work with each client 24 in their own language whenever possible to provide 25

2 them with individual technical assistance, including 3 how to open a bank account, how to establish or 4 repair their credit, how to develop business and marketing plans, and how to access affordable credit. 5 Since our inception, we have expanded economic 6 7 opportunities for minority owned businesses, dispersing over 60 million in business loans, ranging 8 from 500-dollars microloans to street vendors and 9 hair braiders to 350,000 in community advantage loans 10 11 to finance larger projects, such as renovation and equipment for a new restaurant. We have assisted 12 nearly 10,000 unique businesses and created almost 13 14 3,000 new jobs and saved more than 11,000 jobs 15 citywide. As you develop the City's Council Fiscal Year 25 Preliminary Budget Response, we strongly 16 17 encourage you to recommend an increase in resources 18 for small business providers, especially those that 19 dedicate their work to underserved entrepreneurs. 20 Small business owners across the city are facing various issues from rent arrears, landlord 21 2.2 harassment, financial challenges, and competition 23 from big retailers. In order to assist entrepreneurs with this trouble, especially those that have culture 24 or language barriers, providers on the ground need 25

1 COMMITTEE ON SMALL BUSINESS 98 2 your support. Beyond the Preliminary Budget, we also 3 encourage... 4 CHAIRPERSON FELIZ: Please conclude. 5 TSHERING GURUNG: Okay. Thank you so much for your time and, on behalf of everyone at Accompany 6 Capital, we look forward to strengthening our 7 8 partnership with you. Thank you for your time today. 9 COUNCIL MEMBER PALADINO: I'm sorry. I didn't get your name. 10 11 MEREDITH PHILLIPS ALMEIDA: Meredith. 12 COUNCIL MEMBER PALADINO: Merdith. How are 13 you, Meredith? I liked what you had to say. First of all, it's really nice to hear human factor has a big 14 15 part in this. Everything is relied on these, which is great, serves its purpose, but there's a lot of, we 16 17 need human contact and, going back to entrepreneurs, 18 going back to small business owners, I was a small 19 business owner for over 30 years. My sister, Joanne, 20 is still a business owner, manufacturing, and now 21 she's grown. She's here in the East Coast and on the 2.2 West Coast. We know a little bit about startups and 23 how difficult it is. My whole family basically is entrepreneurs except for two sisters but, with that 24 25 being said, I'm always open to how, especially I

2 talked about our younger people, the ones 25 to 35 3 who have zero dollars, excellent heads that work in a 4 business sense, great ideas, and the fact that you 5 want to inform the people and what tools you're able to give the people. This is what's interesting to me 6 the most, is how do I get these people with these 7 8 great ideas off the ground, stop being afraid, and a 9 lot of them have nothing. I want to hear more about what you do collectively or your individuals here 10 11 today, correct? So I do want to, I'll separate you 12 accordingly. I'm sorry because I'm in Queens, you're 13 in Brooklyn. We got the Queens Chamber of Commerce, okay, but you do a lot and I'm interested in you so 14 15 you'll give me your card at the end of this and we 16 could have a private conversation, all right and you, 17 I would like to talk to as well. This whole thing has 18 been a real, for me, like I said, and my family being 19 in small business, now we have our younger people in 20 my family and others coming to me, what do I do, so 21 this is a learning experience and I'm grateful to 2.2 have it, but I need to know more. Thank you. 23 RANDY PEERS: So could I just, so the Small Business Resource Network is all five chambers 24 25 and we all work together.

1 COMMITTEE ON SMALL BUSINESS 100 2 COUNCIL MEMBER PALADINO: Right. 3 RANDY PEERS: Tom and Lisa and Linda and Jessica. We're all, And Tom and I are tortured Mets 4 fans, so we also commiserate on a whole other level. 5 6 COUNCIL MEMBER PALADINO: Oh, yeah, okay, 7 qood. RANDY PEERS: And think about a case 8 9 management model where we have outreach and assessment teams that knock on doors and connect 10 11 businesses but, on your very specific question about 12 where do you point a new entrepreneur because it 13 relates to SBS services so they run something called 14 the Business Solution Centers. These are actually 15 WIOA funded, so it's actually part of the workforce funding on the federal side. We, the Brooklyn 16 17 Chamber, happen to run the one in Brooklyn. There's 18 an amazing program, eight session program called 19 Business Basics. 20 COUNCIL MEMBER PALADINO: Okay. 21 RANDY PEERS: We point every new 2.2 entrepreneur to that program because it puts them 23 through soup to nuts everything you need to know about starting a business because a lot of times a 24 small business owner just doesn't know how to run a 25

2 business. They know how to bake cookies or they know 3 how to do something really well, but they don't know 4 the aspect of actually running the business so before they leap and before they take out that second 5 mortgage on their home and dump it into a business, 6 7 we want them to have all the tools that they need 8 and, by the way, that program is virtual as well as 9 in-person and it's done in multiple languages so it's an SBS program, it's through the Business Solution 10 11 Centers. I always say it's the first step for any new 12 entrepreneur so there's a great resource out there 13 that a new entrepreneur can tap into.

14 COUNCIL MEMBER PALADINO: Yeah, because I 15 related very much to when you said the plumber and 16 when you have the flood and all of a sudden you 17 decide you need to find a plumber. That's basically 18 the mindset of the younger generation. Going through 19 our aches and pains, we started, my husband started 20 his business when he was 26. He's now 70. We are 21 outside-the-box thinkers. Small business owners, 2.2 entrepreneurs, we all we learn how to survive. We 23 learn how to, cause it's survival, thinking outside the box. There's always a way to get through to the 24 next step. There has to be because you never say die, 25

| 2 | you never give up. I just want a springboard where |
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| 3 | people could go. People don't often listen to their |
| 4 | parents or their family members. They much rather get |
| 5 | it directly from another source, and that's something |
| 6 | that will definitely come in handy for all of us, but |
| 7 | this is something that I'm really, I'm so happy I'm |
| 8 | on this Committee, it's brand new to me, but business |
| 9 | and small business is not so I'm really looking |
| 10 | forward to a very great year coming up working on |
| 11 | this Committee so thank you so very much. Thank you |
| 12 | to my chairman. Thank you very much. |
| 13 | MEREDITH PHILLIPS ALMEIDA: Could I also |

add something to my colleague when you said so? Yes, 14 15 I was breezing through and was remiss that I didn't 16 mention that this program is a partnership between 17 the five Chambers and citywide and that allows us to share resources information even staff and language 18 19 capacity at times, and Randy's example was a great example for why this is important. Amplification of 20 what exists from city agency is super important. 21 Every business owner that's out there doesn't know 2.2 23 that this program exists at the Business Solutions Center but, because our team is on the ground in all 24 25 five boroughs and does know that, when they encounter

someone who needs that specific service, they're able 2 3 to make that referral. We even refer to Accompany 4 Capital at times. We are able to refer them to pro bono business strategy advisors if they're in that 5 phase. We are experts in the ever-changing landscape 6 7 of small business resources, which is incredibly 8 complex so our team knows what's out there so that 9 when you approach us, we can say have you reached out to Accompany, I think they'd be a great fit, there's 10 11 someone there who speaks the language that you prefer to communicate in, and they have products that are 12 13 great fit for you. You should go to the Business 14 Solution Center. They're the best fit for you right 15 now in this phase so I love that example because it 16 shows why it's important to maintain this capacity at 17 the neighborhood level and reach these businesses who 18 are not necessarily aware of these things or 19 connected to this information. 20 TSHERING GURUNG: Can I add something? I 21 did hear Council Member Shekar, where our office is,

we belong to his District, and he mentioned about the language barrier and the challenges, and that's especially very specific for immigrant-owned businesses, and that's the majority of the clientele

2 we work with and having a diverse staff who speaks 3 the language, who understand the culture background 4 really helps because we are able to speak in the 5 language, yeah, exactly, and it also kind of helps, the trust factor because many new Americans, they 6 7 don't understand the financial system, they don't 8 know about credit because that never, they didn't 9 have any of that system back home so just helping them understand about the whole credit system, the 10 11 financial system in U.S., so there's a lot of education needed in addition to access to financing 12 13 and having a great network, a referral network is so key and that's something we've been hearing again and 14 15 again from all our resource partners that we all are 16 part of this ecosystem and we should know about each 17 other's resources, right? Where to refer them to if 18 there's if it's a service that we cannot provide so 19 if it's a pre-startup business, we should refer them 20 to SBS or SBDCs to help them with the idea stage, to 21 help them with the business plan and when they are 2.2 ready for the funding, SBS knows that, okay, these 23 are the CDFI partners where I can refer them to. Similarly, we work closely with all the Chambers of 24

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| 2 | Commerce and refer them when they need the services |
| 3 | that they offer. |
| 4 | COMMITTEE COUNSEL BOULET: Thank you so |
| 5 | much. |
| 6 | All right, I think we can call our next |
| 7 | panel. It will be Carina Kaufman-Gutiérrez, Nick |
| 8 | Aquino, and then Kayt Tiskus. |
| 9 | You may begin. |
| 10 | CARINA KAUFMAN-GUTIÉRREZ: Good afternoon. |
| 11 | My name is Carina Kaufman-Gutiérrez, and I'm the |
| 12 | Deputy Director at the Street Vendor Project, a |
| 13 | membership-based organization of over 2,900 street |
| 14 | vendors. Thank you for the opportunity to testify |
| 15 | today. We respectfully request from City Council to |
| 16 | sustain and expand our Small Business Empowerment |
| 17 | Program for street vendors. The demand for street |
| 18 | vendor education and services continues to grow as |
| 19 | the population transformed during the pandemic and |
| 20 | continues to increase as many asylum seekers are |
| 21 | beginning to vend as well. It's critical that there |
| 22 | be an investment in education and training for these |
| 23 | emerging small business owners to help them know |
| 24 | their rights and their responsibilities, which SVP is |
| 25 | primed to do. We are the one-stop-shop for street |
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| 1 | COMMITTEE ON SMALL BUSINESS 106 |
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| 2 | vendors that will provide you with legal |
| 3 | representation when you receive a ticket, help you |
| 4 | navigate the complex street vending laws in seven |
| 5 | languages, and offer training to build your skills to |
| 6 | grow your street vending business. Despite being a |
| 7 | small team of three full-time organizers, two part |
| 8 | time and one lawyer on staff, in just the first eight |
| 9 | months of this Fiscal Year, we have supported 414 |
| 10 | vendors with individual consultations on topics |
| 11 | ranging from sales tax filings to filing loan |
| 12 | applications. Of these, in the past year, 57 percent |
| 13 | of our small business consultations were in Spanish, |
| 14 | 20 percent in Mandarin, 14 percent in English, 5 |
| 15 | percent in Arabic, and 3 in Bangla. 59 percent of our |
| 16 | consultations were with female-identifying street |
| 17 | vendors. We also hold monthly workshops at our |
| 18 | membership meetings with a regular attendance of 50 |
| 19 | to 75 individuals and tonight's, for example, is on |
| 20 | registering for e-payment systems. We also conduct |
| 21 | regular street outreach to vendors to connect them |
| 22 | with services, often with a fellow SVP member |
| 23 | alongside us to continue building trust when so many |
| 24 | have faced scams in the street vending world. Each of |
| 25 | these engagements is with the purpose of helping a |
| | |

2 small business owner to grow and become part of the 3 formalized economy. Respectfully, SVP really fulfills 4 a critical role. There is no city agency that meaningfully serves street vendors. Respectfully, in 5 September 2023, SBS reported that they did not have 6 7 staff dedicated to street vending, does not conduct 8 in-person educational outreach to vendors, and did 9 not have data on how many street vendors had access to any of their services and, unfortunately, the 10 11 information shared today, respectfully, was incorrect 12 about a study being funded this Fiscal Year. It will not be funded as was told to the SBAC. This is a 13 14 stark difference when compared with the investment in 15 enforcement. DSNY, as of the FY24 adopted budget, 16 currently has 2.9 million budgeted for the Office of 17 Street Vendor Enforcement, which is set to increase 18 to 4.7 million by FY27. Street Vendor Project, we are 19 very eager to increase services to street vendors, 20 but we really need City Council's support to increase 21 our capacity and, by empowering vendors to improve 2.2 their financial literacy, our services help them 23 integrate into the formalized economy, allowing them to open bank accounts, access credit, regularly pay 24 and file taxes, and grow their businesses. Thank you 25

so much for your consideration of this proposal and
in supporting the street vendors who make New York
City beautiful and diverse. Thank you.

NICK AQUINO: Good afternoon. My name is 5 Nick Aquino, and I am a staff attorney with the 6 7 Microenterprise Project of Volunteers of Legal 8 Service. For over 20 years, the VOL's Microenterprise 9 Project has helped small business owners access free legal services. We partner with the City, 10 11 particularly SBS, to connect with clients. For many 12 New Yorkers and under-resourced communities, 13 entrepreneurship provides an opportunity to build 14 wealth for themselves and future generations. A 15 thriving small business ecosystem also strengthens 16 the local community. Many of our clients operate 17 neighborhood institutions like delis, cafes, and 18 barbershops that serve the dual purpose as a 19 community space that can't easily be replicated. 20 While we strive to provide free legal services for as 21 many New Yorkers as possible, we cannot solve this 2.2 problem alone. Leveraging City resources is 23 essential. For example, on February 28th, VOLS launched its partnership with SBS' Black 24 25 Entrepreneurs in NYC program, and, there, VOLS

| 1 | COMMITTEE ON SMALL BUSINESS 109 |
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| 2 | facilitated a presentation on business legal |
| 3 | considerations to an audience of black entrepreneurs, |
| 4 | a community that is vastly under-represented in New |
| 5 | York City's business owner community. We rely on |
| 6 | essential SBS and other City programs to connect our |
| 7 | clients with non-legal support. For example, SBS' |
| 8 | financing assistance programming offers our clients a |
| 9 | necessary lifeline. Similarly, without well-resourced |
| 10 | social networks due to historic discrimination, our |
| 11 | M/WBE-certified clients benefit greatly from SBS' |
| 12 | procurement opportunities. In sum, without City |
| 13 | services to reduce the barrier to entry of under |
| 14 | resourced entrepreneurs, the dream of small business |
| 15 | ownership would be the exclusive purview of the |
| 16 | wealthy and well-resourced. Also, without your |
| 17 | support in the form of discretionary funding, VOLS |
| 18 | wouldn't be able to bring free legal services to New |
| 19 | York City entrepreneurs. Thank you. |
| 20 | KAYT TISKUS: Good morning, or good |
| 21 | afternoon, at this point. Thank you so much for |
| 22 | spending your time with us today, Chair Feliz, and |
| 23 | the rest of the Committee. My name is Kayt Tiskus. |
| 24 | I'm with Collective Public Affairs, and what I do is |

I work with many City Council initiatives to help

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2 with the running of their programs and to help with 3 the securing of funding and to help City Councilors 4 understand what it is that those programs do. I wanted to emphasize the work of three initiatives 5 that work with SBS today and use this moment to note 6 7 that SBS' resources in the executive budget receiving 8 cuts and losses really impact the ability of other 9 providers who partner with the City to be able to provide those services in an efficient way and also 10 11 to note that, as partners try to step in and fill the 12 gaps, loss of funding or even just holding steady on 13 the same amount of funding can really impact the 14 number of people that they serve. The Workers 15 Cooperative Business Development Initiative is a 16 wonderful entry into small business ownership for 17 many folks, especially New Yorkers, especially New 18 Yorkers who may have documents that are in a 19 complicated situation to meaningfully participate in 20 business ownership. The Pride at Work initiative 21 helps LGBT people get into high road union employment and is also administered through SBS. And the 2.2 23 Domestic Workers Empowerment Initiative helps domestic workers understand their rights and 24 responsibilities and to connect to the services and 25

| 1 | COMMITTEE ON SMALL BUSINESS 111 |
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| 2 | particularly human rights protections that City |
| 3 | Council fought so hard to get for them. All of them |
| 4 | have significant funding asks for this year, but also |
| 5 | require a strong partner from SBS, and so the cuts to |
| 6 | the executive budget will impact those initiatives |
| 7 | abilities to function as well. Thank you. |
| 8 | COMMITTEE COUNSEL BOULET: All right. If |
| 9 | there are no questions, then thank you all very much, |
| 10 | and I will call up our next panel. |
| 11 | We could have Elsa Samaniego, Ana |
| 12 | Salgado, and Gregory Morris. |
| 13 | ANA SALGADO: Honorable Chair, Member |
| 14 | Feliz and Committee Members of the New York City |
| 15 | Council. I'm Ana Salgado, Mental Health Coordinator |
| 16 | at Mixteca Organization. I appreciate your time, and |
| 17 | I'm honored to have the opportunity to testify before |
| 18 | you today, representing Mixteca, an organization |
| 19 | dedicated to serving Latin and indigenous communities |
| 20 | in Sunset Park and Greater New York City. We |
| 21 | recognize the profound challenge of our immigrant and |
| 22 | indigenous community encounter, which a longstanding |
| 23 | commitment to widening our immigrant community and |
| 24 | responding to the humanitarian crisis of newly |
| 25 | arrived asylum seekers. Mixteca stands at the |
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| 1 | COMMITTEE ON SMALL BUSINESS 112 |
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| 2 | forefront of community-based support. Today, I'm here |
| 3 | to introduce our Workforce Development Program, |
| 4 | STELAR, means Striving Through Education, Leadership, |
| 5 | and Access to Resources. STELAR was established with |
| 6 | the aim of empowering our community with the skills, |
| 7 | resources, and tools necessary to strengthen their |
| 8 | socioeconomic well-being through education, |
| 9 | entrepreneurship, and career guidance. Conceived |
| 10 | during the onset of the asylum seeker humanitarian |
| 11 | crisis, and the labor shortage experienced by our |
| 12 | immigrant community during the COVID-19 pandemic, |
| 13 | STELAR endeavors to equip immigrant communities with |
| 14 | entrepreneurship skills to navigate challenging |
| 15 | times. As the coordinator and facilitator of STELAR, |
| 16 | I have the privilege of closely working with |
| 17 | participants, understanding their stories and their |
| 18 | motivations for joining the program. An overwhelming |
| 19 | 19 percent of participants enrolled in the program |
| 20 | are unemployed, seeking skills and resources to |
| 21 | secure a source of income for themselves. |
| 22 | Unemployment presents challenges in any context, but |
| 23 | it becomes even more intimidating in a city like New |
| 24 | York, known for its resiliency yet burdened by high |
| 25 | cost of living. The Latin community tirelessly |
| ļ | |

2 strives to confront economic challenges and, by 3 supporting Mixteca, we can provide families and 4 communities with a mean to overcome obstacles and a 5 brighter future. Okay, thank you. STELAR is an example, a program that works to connect social 6 7 support, education, workplace, preparation, career. It's important to mention all these areas because 8 9 it's the work that can be accomplished when the organization and the community have the support and 10 11 (INAUDIBLE) from the city to do the work. In 12 considering resources allocation, I implore you to prioritize funding for Mixteca. We are a frontline 13 14 organization vital in providing essential services to 15 our own migrant community. Your support is essential 16 in obtaining capital funding to expand and continue 17 delivering culturally competent service, including 18 STELAR. Thank you for your time and attention to this 19 matter. 20 ELSA SAMANIEGO: [SPEAKING SPANISH] ANA SALGADO: I will read the translation 21 of Elsa's testimony. Good afternoon, honorable 2.2 23 Members of the New York City Council. My name is Elsa

Samaniego, community leader, activist, and

participant in the STELAR group. I'm here because I

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2 want to share with you how important it has been for 3 me, my family, and my colleagues to participate in 4 this program. STELAR is giving me the tools that I need to start my own artisan candle business. I learn 5 how to make them, I learn how to present my business, 6 7 and I'm learning about business plan and regulations 8 and consumer protection in New York City. I know that 9 I still have a long way to go and I still have to continue learning many things, but I consider myself 10 11 an entrepreneurial woman and STELAR gives me both the 12 strength to believe that I can do it and the tools to 13 make it real. I know that programs like this are only 14 possible with the support and the support of many. We 15 need investment and small business program and investment in Mixteca and similar organizations that 16 17 provide support to me, my family, and my other 18 colleagues in the STELAR group, entrepreneur women 19 who want to get ahead. Thank you. 20 GREGORY MORRIS: Thank you for the 21 opportunity to provide testimony, Council Member. My 2.2 name is Greg Morris. I'm the CEO of the New York City 23 Workforce Development Association. That is an organization that serves as a resource and support 24

workforce development providers, 220 in total,

serving almost half a million New Yorkers on an 2 3 annual basis. Our membership indicates that the 4 majority of participants that our providers serve are women, young adults, NYCHA residents, immigrants, 5 refugees, asylum seekers, and justice-involved 6 7 individuals. Our job essentially in the workforce 8 development ecosystem is to track the value and 9 impact of the commitments the City Administration makes in support of job readiness and training, to 10 11 serve as a resource to employers and employer 12 intermediaries seeking talent, and advocate for the 13 budgetary legislative and regulatory action items 14 that maximize access and equity in programs and 15 services that are central to our efforts so that 16 means industry-specific skill development, college and career exploration, internships, apprenticeships, 17 18 re-skilling, up-skilling options, as well as 19 employment, placement, retention, and supportive 20 services. I wanted to take, the testimony can be 21 submitted online and I'm happy to talk to you and 2.2 your team about any of the specific details we have 23 about strategy related to workforce development in New York City, but I specifically came to this 24 hearing because the Small Business Services has 25

| 1 | COMMITTEE ON SMALL BUSINESS 116 |
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| 2 | responsibility for 18 Workforce1 centers in New York |
| 3 | City and, as they reported in the preliminary hearing |
| 4 | report, their numbers are down in terms of |
| 5 | placements, usage. It's also the case that the amount |
| 6 | of money that those sites have is down as well, and I |
| 7 | want to flag that and I want to champion the fact |
| 8 | that you talked about it related to the disabilities |
| 9 | office, but we don't track job placement. We don't |
| 10 | track outcomes. If you look at the MMR, we really |
| 11 | don't know how it is that the investment the City is |
| 12 | making in Workforcel is resulting in better |
| 13 | opportunities for New Yorkers seeking job opportunity |
| 14 | in the city so I just want to flag that, and I think |
| 15 | one of the solutions to that could be the City |
| 16 | Council having its own workforce development task |
| 17 | force or committee that would call to mind both this |
| 18 | agency and others coming to the table reporting |
| 19 | outcomes related to the investments the |
| 20 | Administration makes in job development and training |
| 21 | so that all New Yorkers can benefit from those |
| 22 | investments. Thank you. |
| 23 | CHAIRPERSON FELIZ: All right, since there |
| 24 | are no questions. Thank you very much. Gracias. I |
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| 1 | COMMITTEE ON SMALL BUSINESS 117 |
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| 2 | don't have any other registrants for in-person |
| 3 | testimony. Please let me know if we missed you. |
| 4 | I will turn to our Zoom panelists at this |
| 5 | time. Let's see, I believe we have online Michael |
| 6 | Haber, Jessica Walker, and Pilar DeJesus. We'll go in |
| 7 | that order. |
| 8 | For Zoom panelists, once your name is |
| 9 | called, a Member of our Staff will unmute you, and |
| 10 | the Sergeant-at-Arms will give you the go-ahead to |
| 11 | begin. Please wait for the Sergeant to announce you |
| 12 | may begin before beginning your testimony. |
| 13 | If we could start with Michael Haber. |
| 14 | SERGEANT-AT-ARMS: You may begin. |
| 15 | MICHAEL HABER: Good afternoon. My name is |
| 16 | Michael Haber, and I'm the Director of the Community |
| 17 | and Economic Development Program at Brooklyn Legal |
| 18 | Services Corp A, or Brooklyn A. Brooklyn A is seeking |
| 19 | funding for our Community and Economic Development |
| 20 | Program, which provides legal support for small |
| 21 | businesses and non-profits across the five boroughs, |
| 22 | and calling for a continuation of SBS' Commercial |
| 23 | Lease Assistance Program. Partnering with SBS to |
| 24 | provide services through the CLA Program has allowed |
| 25 | us to shift our focus to commercial lease assistance |
| I | |

2 to small businesses over the last six years. Last 3 Fiscal Year, our Small Business Program served small 4 businesses on 1,334 matters. We provided assistance to businesses in every Council District in New York 5 City in FY22 and all but one in FY23. Each and every 6 one of these neighborhood businesses plays a crucial 7 8 role as part of their communities. Despite our 9 successes with the CLA program, we have some ideas for how to improve it. First and foremost, continued 10 11 funding of the program with immediate issuance of a 12 negotiated acquisition extension agreement to ensure 13 continuity of services and timely issuance of an RFP 14 for a new contract cycle. 15 Second, while we appreciate all the efforts that SBS has undertaken to assist with our 16

17 outreach efforts, Brooklyn A is a legal services 18 provider and not a marketing firm and we believe that 19 the CLA program needs additional assistance from the 20 City to support our outreach efforts. With additional 21 investment in and management of the marketing of the 2.2 CLA program from SBS, we could dramatically increase 23 our services to small businesses across the City, making more business owners aware of these critical 24 services. 25

| 2 | Thirdly, many small businesses are |
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| 3 | struggling with landlord lawsuits that have come |
| 4 | about because they fell behind in paying their rents, |
| 5 | sometimes by just a few thousand dollars. The CLA |
| 6 | program does not allow us to litigate on behalf of |
| 7 | our clients, even though most small businesses cannot |
| 8 | afford to pay for court costs and attorneys for |
| 9 | litigation. Brooklyn A has seen repeatedly that if |
| 10 | landlords are aware that attorneys cannot appear in |
| 11 | court on behalf of small business clients, they may |
| 12 | evict long-time tenants and jack up rents causing |
| 13 | damages to small businesses across the city. Several |
| 14 | options would allow for an increase in small business |
| 15 | support and litigation court capacity on a trial or |
| 16 | pilot basis, including allowing CLA counsel to appear |
| 17 | in court… |
| 18 | SERGEANT-AT-ARMS: Your time has expired. |
| 19 | MICHAEL HABER: For a limited portion of |
| 20 | certain agreements. Thank you for your time. |
| 21 | COMMITTEE COUNSEL BOULET: All right, |
| 22 | we'll move to our next panelist. Thank you very much. |
| 23 | Next up we have Jessica Walker. |
| 24 | SERGEANT-AT-ARMS: You may begin. |
| 25 | |

2 JESSICA WALKER: Hi, I'm Jessica Walker. 3 I'm the President of the Manhattan Chamber of 4 Commerce. I want to just reiterate what my 5 colleagues, Meredith and Randy, spoke about earlier. In particular, we are very supportive of our Small 6 7 Business Resource Network and also the Chamber on the 8 Go programs. I just wanted to highlight, because they 9 did such a great job, I just wanted to highlight a few things. First and foremost, just how effective 10 11 the program is. Since its inception in October 2020, we have reached more than 47,000 businesses 12 13 throughout the city, and the stat that I'm most proud 14 of is that most of the people we've helped, 76 15 percent of the businesses we've reached have been 16 minority and women-owned businesses, and the vast 17 majority of businesses we've reached have had four or 18 fewer employees so these really are the businesses 19 who need the help the most, who often are forgotten 20 or just don't know where to go and really do need the 21 support and the resources, so very helpful, it's a 2.2 very terrific program. The other thing I want to 23 reiterate, I think Randy spoke about it, is that the Chamber on the Go program really does help to amplify 24 all the good programs that the City has and that 25

| 1 | COMMITTEE ON SMALL BUSINESS 121 |
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| 2 | small businesses may never know about if it's not for |
| 3 | the outreach that we're doing. The Lease Negotiation |
| 4 | Program, the M/WBE Certification Programs, all of |
| 5 | that great stuff, the City grants and loans. We're |
| 6 | the ones getting the word out about that. Again, we |
| 7 | just want to request that the City Council |
| 8 | discretionary money, it's 500,000 dollars citywide |
| 9 | for the Five Borough Chamber Alliance. The other pot |
| 10 | of money runs through EDC. It's called the EDC |
| 11 | Business Resource Center. It's administered by SBS |
| 12 | but runs through EDC and then, of course, the Chamber |
| 13 | on the Go program is a City Council discretionary |
| 14 | fund. We support it and we would love to see that |
| 15 | fully restored in the City budget. Thank you. |
| 16 | COMMITTEE COUNSEL BOULET: Thank you. Any |
| 17 | questions? |
| 18 | All right, thank you very much, and then |
| 19 | we'll move on to Pilar DeJesus. |
| 20 | SERGEANT-AT-ARMS: You may begin. |
| 21 | PILAR DEJESUS: Hi, good afternoon. I |
| 22 | apologize I couldn't be there in person. I was |
| 23 | trying, but I don't know. Meetings kept me here. My |
| 24 | name is Pilar DeJesus. I am an advocacy coordinator |
| 25 | at TakeRoot Justice. TakeRoot Justice provides legal |
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| 2 | services. Participatory research and policy support |
| 3 | to straighten the work of grassroots and community- |
| 4 | based groups in New York City to dismantle racial and |
| 5 | economic and social oppression, and I'm going to |
| 6 | submit a more formal testimony. This is going to be |
| 7 | more informal. I'm just really want to continue to |
| 8 | encourage the Council to continue to fund the Worker |
| 9 | Cooperative Development Initiative. It is something |
| 10 | that, as I think as we all know or as we, as the |
| 11 | Council may know that, worker cooperatives provide a |
| 12 | value, especially when we're talking. |
| 13 | COMMITTEE COUNSEL BOULET: Sorry, it seems |
| 14 | like you've been muted or we've lost sound. Oh, no, |
| 15 | we can't hear you. You seem to be unmuted on our end. |
| 16 | Are you able to unmute yourself? Okay. And there's |
| 17 | nothing we can do on our end? All right. If you're |
| 18 | wearing headphones, maybe that was it? |
| 19 | Thank you for coming, and if you are able |
| 20 | to submit written testimony, obviously, that'll be in |
| 21 | the record as well. All right. |
| 22 | CHAIRPERSON FELIZ: And I'll make sure to |
| 23 | look at the testimony. Thank you so much. I'll make |
| 24 | sure to, yeah, read the written testimony. Thank you. |
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| 1 | COMMITTEE ON SMALL BUSINESS 123 |
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| 2 | COMMITTEE COUNSEL BOULET: Thank you so |
| 3 | much, and is there anyone else on Zoom that we have |
| 4 | missed? |
| 5 | Great. In that case, thank you again to |
| 6 | everybody who testified today, and I'll turn it back |
| 7 | to Chair Feliz. |
| 8 | CHAIRPERSON FELIZ: Thank you so much. |
| 9 | Thank you everyone who testified today. Thank you to |
| 10 | the Administration for all the information. Thank you |
| 11 | also to the public for bringing your unique |
| 12 | perspective and experiences on the issue, really |
| 13 | appreciate the input. |
| 14 | With that said, today's hearing is hereby |
| 15 | adjourned. Thank you so much. [GAVEL] |
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CERTIFICATE

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 8, 2024