

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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HELD AT: 250 Broadway - Committee Rm,
14th Fl.

B E F O R E:

DIANA REYNA
Chairperson

COUNCIL MEMBERS:

MARGARET S. CHIN
MATHIEU EUGENE
LETITIA JAMES
ANDY L. KING
PETER A. KOO
RUBEN WILLS

[gavel]

CHAIRPERSON REYNA: Thank you very much.

This is the Committee on Small Business. Good afternoon my name is Diana Reyna, chair of the Committee on Small Business. Today's hearing will cover two topics and I'd like to just apologize to the audience here today, the administration and my colleagues I was delayed because of a personal emergency. All is well now. We will consider a bill today. Introduction number 1191 sponsored by council member Gonzalez. A local law designed to minimize language barriers between city agencies and the small businesses they license, permit, and inspect. We will also continue our oversight of small business recovery one year after hurricane Sandy. As we all know hurricane Sandy hit New York with devastating force leaving millions without power, closing schools, destroying homes infrastructure. In addition to causing loss of life, halting public transportation, forcing school closures, and damaging infrastructure hurricane Sandy impacted over 13 thousand businesses damaging and completely destroying many businesses in flood zone areas and causing painful economic losses for

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2 businesses all over the city. In February of this
3 year this committee held a hearing to examine the
4 city's response to Sandy and its recovery plans
5 going forward. At the time the administration was
6 still formulating its plan for how to allocate
7 billions of dollars in federal assistance that had
8 been allocated through HUD's community development
9 block grant program. We heard testimony from
10 advocates and business owners who were concerned
11 about whether these funds would be used to restore
12 existing businesses or to gentrify communities so
13 that local businesses and residents could not
14 afford to return to where they had once been. We
15 heard testimony that many small business owners
16 were not in a position to take on new debt which
17 was then a prerequisite to qualify for the city's
18 grant programs and assistance from the small
19 business administration. We heard one business
20 owner after another ask the city to assist them in
21 pursuing claims after insurers that asserted that
22 the storm was not covered under their policies.
23 Because according to those insurers it was a wind
24 rather than a flood event. Other business owners
25 complained of landlord malfeasance. While blocking

1 business restoration reported that landlords were
2 increasing rents on damaged properties and made
3 claims that landlords were shrinking, shirking
4 their responsibility to make structural repairs.
5 Since that hearing the city has received 1.8
6 billion dollars in CDBG funds from the federal
7 government of which it has allocated 293 million
8 dollars to small business restoration. On October
9 28th the administration announced that it is in the
10 process of applying for another 1.34 billion
11 dollars in CDBG money which requires the submission
12 of a substantial action amendment to its previous
13 plan. In the meantime there have been reports that
14 in some areas that were hardest hit by the storm,
15 particularly in Staten Island there are business
16 districts where as many as 30 percent of businesses
17 affected remain closed on year after the storm. We
18 are holding today's hearing to hear from business
19 owners and advocates about what challenges continue
20 to prevent the complete restoration, to complete
21 the, to prevent the complete restoration of small
22 businesses in the city and to try to understand
23 whether there are ways in which the city can be
24 more effective in its roles in these efforts. We
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1 look forward to hearing from the administration
2 about all the existing restoration plans for small
3 businesses the progress that has been made as a
4 result of these plans, the known shortcomings of
5 these plans, and what modifications will be made
6 to, to the restoration plan, and the future
7 allocations of federal funds. We also look forward
8 to hearing testimony on Introduction 1191 by
9 council member Gonzalez, a local law to amend the
10 New York City charter and the administrative code
11 of the city of New York in relation to providing
12 business owners the ability to indicate a language
13 preference for agency inspections. The regulatory
14 review process has brought to light the difficulty
15 small business owners have with navigating the
16 enormous bureaucracy of regulations that apply to
17 them. With 48 percent of the small business owners
18 in New York City being immigrants, language
19 barriers between agencies and business owners only
20 exacerbate these difficulties. This bill is part of
21 the ongoing effort to improve communication between
22 city agencies and the businesses that they license
23 and inspect and to insure that business owners know
24 what laws and rules apply to them. The bill would
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1 do two things. First it would require the city to
2 inform business owners of their right to express a
3 language preference for inspections. By amending
4 the business owners' bill of rights which is
5 designed to be distributed to all businesses
6 subject to city inspections. Second it would
7 require the mayor's Office of Operations, the
8 Department of Health and Mental Hygiene, and the
9 Department of Consumer Affairs to provide a means
10 for business owners to in, indicate their language
11 preference. While city agencies already employ the
12 language line translation service to help overcome
13 language barriers between inspectors and business
14 owners this bill will provide business owners the
15 opportunity to proactively inform the city of their
16 need for translation services and better inform the
17 city about the specific need for such services. I
18 want to thank everyone for attending today's
19 hearing and adding your testimony to these topics.
20 I would like to acknowledge the members of our
21 small business committee; council member Chin,
22 council member Wills, council member King, and
23 council member Letitia James. I'd like to thank my
24 council to this committee Jeffrey Campagna and
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1
2 Peter Drivis for, our policy analyst and I believe
3 our council to this committee has an announcement.

4 JEFFREY COMPAGNA: We're, since we're
5 doing two topics which pretty much everyone can
6 testify on. We're just going to hear panels in the
7 usual fashion that we would for an oversight
8 hearing. And if you have something to say about the
9 bill you are free to say that as well so we're not
10 separating the topics, the oversight topic from the
11 bill.

12 CHAIRPERSON REYNA: And our first panel
13 is Calvin Collins from the Department of Small
14 Business Services, Coleen Calvin Department of
15 Small Business Services, Joe Callety New York City
16 EDC and Jonathan Gooveear[phonetic]

17 JONATHAN GOUVEIA: Gouveia.

18 CHAIRPERSON REYNA: Gouveia. Thank you
19 very much. EDC. You may begin.

20 CALVIN COLLINS: Good afternoon chair
21 Reyna and members of the Small Business Committee.
22 My name is Calvin Collins, assistant Commissioner
23 for the Business Development Division at the
24 Department of Small Business Services. I'm joined
25 today by Jonathan Gouveia, Senior Vice President of

1
2 New York City Economic Development Corporation as
3 well as others from SBS and EDC who are here to
4 help answer questions you might have.

5 This afternoon we'll report on how the
6 city has helped small businesses in commercial
7 areas recover from hurricane Sandy over the last
8 year. I'll speak about what we've done on the
9 ground responding to business needs and bringing
10 vitality back to impacted neighborhoods through
11 financial assistance and increasing the local
12 capacity for commercial revitalization. Jonathan
13 will speak about how we've been able to provide
14 essentials, resources that impacted businesses
15 including tax wavers and temporary working spaces.
16 All of which helped businesses recover. Before,
17 during, and after the storm SBS was in continuous
18 communication with small business owners. More than
19 40 thousand businesses were contacted via email
20 with information on how to prepare for potential
21 damage and our website was updated with storm
22 preparedness tips and information. Immediately
23 following the storm SBS and EDC worked quickly and
24 closely to assess the extent of the damage to
25 commercial corridors in all five boroughs. We

1 reached out to business owners and local
2 nonprofits, organization, gather economic data,
3 combed the neighborhoods and document damage and
4 quickly distribute information on available local
5 and federal resources. SBS business outreach
6 emergency response team worked closely with the
7 office of emergency management to respond to
8 immediate business issues including power
9 restoration and large debris removal. In addition
10 our seven NYC business solution centers, eight
11 industrial providers, and nine New York City
12 restoration centers provided information to
13 impacted businesses and property owners and all
14 available resources. To date the NYC business
15 solution system has helped more than 2,400 clients
16 with hurricane related issues. We've worked closely
17 with the small business administration who
18 collocated two of the disaster recovery centers
19 with the NYC business solution centers in Brooklyn
20 and lower Manhattan allowing for business to easily
21 access resources from both agencies. To date the
22 small business administration has approved more
23 than 1,250 loans valuing 180 million dollars to
24 businesses in New York City. To assess business
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1 locally in the hardest hit areas of the city
2 business recovery zones were established as a way
3 to structure the city's recovery efforts and tailor
4 our response to specific needs of different and
5 impacted regions. The five recovery zones are lower
6 Manhattan which includes the South Street Seaport,
7 Brooklyn Harbor waterfront including Dumbo,
8 Greenpoint, Newton Creek, Red Hook, Gowanus, and
9 Sunset Park. South Brooklyn; including Coney
10 Island, Brighton Beach, Manhattan Beach, Sheepshead
11 Bay, Gerritsen Beach. And the fourth one South
12 Queens; including Howard Beach and the Rockaways.
13 And the fifth recovery zone is the South shore off
14 of Staten Island. Each zone has a captain who has
15 led the coordination efforts of city agency's
16 elected officials, community organization, small
17 business owners, and community representative to
18 identify neighborhood specific issues and respond
19 to individual business needs. Meetings with
20 recovery zones continue on a regular basis to share
21 on the ground information and updates on recovery
22 programs.

24 I'll now talk specifically about the
25 grants and loan program. Just days after the

1 hurricane the city launch NYC emergency loan and
2 matching grant program to help impacted businesses
3 recover. Through the program 20 million was made
4 available for 225 thousand low interest and 10
5 thousand matching grant programs. Funding partners
6 included Goldman Sachs and the New York Bankers
7 Association. New York business development
8 corporation administered both the loan and matching
9 grant program. And to date we've awarded nearly 15
10 million in loans to nearly 650 impacted businesses
11 and nearly 500 matching grants totaling nearly five
12 million dollars. In addition we provided small
13 business assistant grants to businesses that have
14 reopened but needed help repairing and replacing
15 items necessary for full recovery. SBS partnered
16 with Barclays, City, and UBS to create a one
17 million dollar fund for grants of up to five
18 thousand dollars. To date more than 200 businesses
19 have been approved for small business assistant
20 grants. In May the city announced an initial total
21 allocation of 1.77 billion in federal community
22 development block grant disaster recovery funds to
23 address the most urgent housing business and
24 infrastructure needs in neighborhoods impacted by
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1 the storm. This program includes 72 million for low
2 interest loans and matching grants for impacted
3 businesses. Since the announcement we've developed
4 an application, policies and procedures to ensure
5 compliance with HUD regulations and proper use of
6 funds. We've engaged lending partners. We've hired
7 and trained a team dedicated to assisting
8 applicants. And we continue to conduct email,
9 direct mail, phone, and neighborhood outreach. More
10 than 450 businesses have expressed interest since
11 the city launched the preliminary application form
12 in May. And more than 250 have begun packaging
13 their applications. The first funds associated with
14 the program were approved for businesses on October
15 one and up to an additional 5.4 million in loans
16 and grants are in the final stages of review. In an
17 effort to diversify the existent program offerings
18 the city is currently working with CDFIs, Community
19 Development Finance Institutions partners to
20 develop a loan program for the purpose of reaching
21 additional neighborhoods and business types. In
22 addition to financial assistance the city has
23 shortened the term required for businesses to
24 reopen by helping them obtain the inspections,
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1 permits, and licenses they need by directing them
2 to insurance resources. Following the storm the
3 city established the New York City Recovery
4 Business Acceleration Team, other known as RBAT to
5 coordinate the services of permanent inspectant,
6 the needs of businesses to their, to reopen. City
7 client managers serve as a single point of contact
8 for impacted businesses providing necessary
9 information coordinating scheduling with safety and
10 regulatory agencies and troubleshooting problems.
11 RBAT bills on the expertise of the new business
12 acceleration team which has helped more than 16
13 hundred businesses open quickly. To date RBAT has
14 assisted nearly 170 businesses with nearly 350
15 different services. In his state of the city
16 address Mayor Bloomberg announced an executive
17 order waiving fees for businesses rebuilding after
18 Sandy. The fee waiver program provides temporary
19 relief for filing and inspecting fees for recovery
20 work and applies to more than 40 permits necessary
21 to reopen and includes an option for fees to be
22 refunded. The program is administered by R, RBAT.
23 To date more than 125 fee waiver applications have
24 been approved and averaging nearly 15 hundred
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1 dollars per business. Additionally through a
2 partnership with New York state Department of
3 Financial Services businesses have received
4 assistance with insurance issues including denial
5 of coverage or unsatisfactory service. In the
6 immediate aftermath of the storm SBS served as an
7 intermediary and referred more than 40 businesses
8 to the states. Additionally insurance workshop took
9 place in each impactor zone for companies still
10 dealing with insurance issues. These workshops
11 included specialists that provided one-on-one
12 assistance to businesses looking to negotiate with
13 insurance providers. Since last November New York
14 state received more than 51 million in federal
15 national emergency grant funds to assist with the
16 recovery from hurricane Sandy. Of that New York
17 City has received just over 35 million dollars
18 including 9.5 million dollars to administer the
19 program. The grant is aimed at employed individuals
20 who lost their jobs as a direct result of Sandy and
21 who are long term unemployed. The grant provides
22 resources to hire temporary workers to clean up
23 communities impacted by the hurricane and to
24 provide information and services to impacted
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1 individuals to help them get back on their feet.
2 SBS has worked closely with a variety of nonprofit
3 and government partners to get the word out to bud
4 the program. And we've managed several large events
5 where thousands of candidates were interviewed and
6 hired. Over the past 12 months SBS and Parks
7 Department worked together to hire more than 12
8 hundred workers to clean up beaches and parklands,
9 repair playgrounds in Rockaway, Coney Island, Red
10 Hook, and Staten Island We've also worked with
11 Parks Department in other projects to hire 200
12 individuals to help restore damage done to variety
13 of parks beaches around Jamaica Bay. SBS is also
14 partner with New York City Housing Authority to
15 hire over 400 workers to clean up public housing
16 developments and to collect information from
17 impacted tenants about their needs. In total more
18 than 2,000 individuals have been hired to date. In
19 addition to helping individual businesses and job
20 seekers SBS focused on recovery of entire
21 commercial corridors. We've noticed that even in
22 districts where businesses were reopening
23 pedestrian traffic was lower than normal. To combat
24 this drop off in foot traffic we've partnered with
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1 speaker Quinn, the Mayor's Office of Media and
2 Entertainment, NYC and company city to launch two
3 rounds of an advertising campaign called support
4 NYC small business that highlighted impacted
5 businesses featuring them on bus shelter panels,
6 one thousand subway inserts, and more than 30
7 prints add, on radio reaching over 80 million
8 people. The campaign also included a support NYC
9 business website which with an interactive map of
10 open businesses that located more than 13 hundred
11 businesses that reopened after the storm. What
12 we've noticed after the storm was that
13 neighborhoods with strong local organizations were
14 able to recover quicker. So we focused commercial
15 revitalization resources in neighborhoods that
16 didn't have the strong, the support of the strong
17 business improvement district or local development
18 cooperation. We've worked with promote,
19 professional retail experts and community
20 nonprofits to gather data, establish long term
21 recovery plans in places like Midland Avenue and
22 Staten Island, and increase the capacity of local
23 organizations like Brighton Beach business
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2 improvement district and the Southwest Brooklyn
3 Industrial Development Corporation in Red Hook.

4 Where communities didn't, where
5 committee organizations didn't exist we worked to
6 build them. We helped form the beach 116th Street
7 partnership in the Rockaways and the Old Seaport
8 aligns in the South Street Seaport. These
9 organizations already begun to make a significant
10 difference in the communities improving the
11 physical landscape, holding events, and attracting
12 new businesses. With city and the mayor's fund to
13 advance New York we launched a storefront
14 improvement initiative for Beach 116th Street to
15 help repair impacted storefronts and create a
16 cohesive image for Beach 116th Street commercial
17 corridor. More than 400 thousand dollars in repair
18 work has begun and have been approved. 15
19 storefronts have been transformed and more than 10
20 more are on the way. Building on the success of the
21 Beach 116th Street pilots, the mayor's fund and SBS
22 have launched a one million, citywide, storefront
23 improvement program providing grants of up to 20
24 thousand dollars to cover construction costs of
25 storefront improvements for businesses and

1 commercial corridors impacted by hurricane Sandy.
2
3 To date approximately 40 businesses have been
4 approved in Brooklyn, Queens, Manhattan, and Staten
5 Island. And before I hand it over to Jonathan I
6 want to thank the council for all of their help in
7 supporting our recovery work throughout the city.
8 Together we've made significant progress helping
9 business impacted by hurricane Sandy, protecting
10 jobs, and striving to ensure that there's long term
11 economic vitality in the city. Thank you.

12 CHAIRPERSON REYNA: Thank you Calvin. I
13 just wanted to interrupt a moment. We've been
14 joined by council member Mathieu Eugene. But I have
15 a member of the committee who needs to just excuse
16 themselves and before they do so I wanted to just
17 make sure that there's a round of questions.
18 Council member Wills has a question, council member
19 Chin as well and I'll have council member Eugene
20 just make sure that he reviews all the materials.
21 Go ahead council member Wills.

22 COUNCIL MEMBER WILLS: Thank you Madam
23 chair. Good afternoon AC Collins. I wanted to first
24 publically thank you guys for all the work that you
25 have done. ...know... tremendous strain but you did a

1 lot of great work. But the last time you guys came
2 and testified I had asked a specific question and I
3 never got an answer to it. And that question was
4 about double impact especially in the South Beach
5 Queens zone that was affected by hurricane Sandy.
6 There are a lot of people in South Beach Queens and
7 of course a city who had not only homes that were
8 destroyed but businesses also. So they were in a
9 unique position where they had a double negative
10 impact which really caused... It was all devastation
11 but this really really wiped out a lot of their,
12 their lives because their family homes were
13 destroyed and they invested in their communities
14 and their businesses were destroyed. And I asked
15 would they get any special consideration. Did you
16 guys, were you planning on putting anything, a
17 process in place to deal with them specifically and
18 never got a answer on that so now that it's a year
19 later I want to know. Did you, have you guys
20 recognized that, the agency? And if so what did you
21 do to make sure that that specific grouping was
22 taken care of?
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2 COLLEEN GALVIN: Hi. Good afternoon. I'm
3 Colleen Galvin from small business services. If I
4 could take the question... [interpose]

5 COUNCIL MEMBER WILLIS: Sure.

6 COLLEEN GALVIN: ...there's a, a couple of
7 things and there's always room for us to do more
8 certainly. But we have begun coordination with the
9 Office of Housing Recovery to make sure that we're
10 sharing data not only on home based businesses
11 which have a unique challenge but those that you've
12 described which have both their home and their
13 business destroyed. We saw on the early wave it was
14 much more challenging to help the business owners
15 that did have their homes destroyed understandably
16 because they were focused on their housing needs.
17 So I, I don't know that the policy around our
18 financial assistance is any different but we were
19 trying to take a holistic coordinated effort to
20 make sure that data is being shared across, across
21 the two entities so that we are helping in every
22 way we can.

23 COUNCIL MEMBER WILLIS: Okay so if you
24 could, not during the hearing of course but, if you
25 could forward those coordination efforts to us so

1 that we can see exactly what the process is. And
2 look to developing something for that whether
3 their, wherever this specific segment is eligible
4 for additional grants or you know something that
5 would really ease the burden on them. My second
6 question was the grant and loan programs, I know
7 the, the, the grant program specifically you've
8 listed several partners in that. Goldman Sachs and
9 New York Bankers Association, the New York Business
10 Development Corporation. I'm interested in any
11 partnerships that you had with lending institutions
12 with the grant program. Did those funds come out of
13 the Community Investment Act? The money that they
14 were supposed to put in anyway, is that where that
15 money comes from? Or is that money coming from a
16 separate pool?

18 COLLEEN GALVIN: I just want to clarify.
19 You're talking about the first phase, the emergency
20 loan and matching grant program and then...

21 [interpose]

22 COUNCIL MEMBER WILLIS: Yes.

23 COLLEEN GALVIN: ...and then the one
24 million dollar... [interpose]

25 COUNCIL MEMBER WILLIS: Any... [interpose]

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COLLEEN GALVIN: ..grant.

COUNCIL MEMBER WILLS: Yeah any grant programs period that you had a partnership with any lending institutions that fall under the CRA is what I'm asking.

JONATHAN GOUVEIA: We'd have to take a look at that. I'd, there'd... [interpose]

CHAIRPERSON REYNA: If you could just identify yourself.

JONATHAN GOUVEIA: Sorry I'm Jonathan Gouveia from EDC.

COUNCIL MEMBER WILLS: EDC.

JONATHAN GOUVEIA: We'd have to take a look at that. I think there might have been a combination of CRA requirements and philanthropy but I, I don't know for sure. That's a good question.

COUNCIL MEMBER WILLS: Okay so could you get that... [interpose]

JONATHAN GOUVEIA: Yes.

COUNCIL MEMBER WILLS: before... Alright thank you Madam Chair.

CHAIRPERSON REYNA: Council member Chin.

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2 COUNCIL MEMBER CHIN: Thank you Madam
3 Chair. First of all I really wanted to thank SBS
4 you know all your staff for all the work and EDC on
5 this whole recovery effort and support for small
6 businesses. I, I know that in my district and
7 districts across the city there are many many small
8 businesses that were affected and especially in the
9 South Street Seaport there were a lot of attention
10 pay, a lot of focus there. And the different
11 program that you talked about, the campaign to
12 bring customers back, I see those on T.V. I, I see
13 the, you know the advertisement. And the business
14 there really appreciate the support and also
15 helping them bill the organization, the Old Sea
16 Port Alliance. And I'm really confident that going
17 forward they will be able to do well and we were
18 participating in some of their kickoff events. What
19 I wanted to... The question that I wanted to raise is
20 the feedback that I have gotten from individual
21 businesses in terms of the flexibility of these so
22 called loan program and grant program. And it just
23 seems that at the end of the day a lot of them
24 really didn't get the help that they really needed.
25 A lot of them sort of like put their own money out

1 there to try to get repair done as quickly as
2 possible. And they were all these programs like in
3 order to get a grant you have to apply for a loan.
4 And in the beginning they, they lot of them didn't
5 want to take a loan because they still owe money
6 from 9/11 loan program. So that was the biggest
7 thing that we were advocating to really have some
8 grant program available. And I know that downtown
9 lions did their own grant program and they sort of
10 expanded it to cover the seaport area and the
11 frustration that I've been getting from these small
12 businesses is it's the SBA loan and changing the
13 criteria or the rules. And so people kind of get
14 caught in the, in the middle of it; whether you
15 should apply for the loan or not and they were told
16 you could apply but you could turn it down but
17 you'd still be able to get grants. So what I'm
18 asking for is that for SBS to really sit down with
19 these individual businesses. And I've also reach
20 out to Commissioner Walsh to see if there is
21 flexibility, just to make sure people get the help
22 that they need. I mean one of the, one of the
23 businesses Paris Café. They've been around a long
24 time and the building is a historic building. They
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1 worked so hard to get it back to reopen. They
2 didn't really get any help. And they try to apply
3 for these program but there's so much restriction.
4 I mean, I mean with all these program from SBA I'm,
5 I'm even getting very confused. There's four
6 percent loan program and there is a low interest
7 one percent loan program, and they have, they
8 deduct the grant from the loan. I mean it just,
9 it's very very confusing to these small businesses.
10 And the frustration that they have; it's like when
11 are we going to get the help? Colleen?

13 COLLEEN GALVIN: Yeah I, I, I can
14 certainly understand the businesses' frustration
15 and we are, actually the business you noted we have
16 been engaged with and have been trying to help. I
17 think we're happy to sit down with any individual
18 businesses that you'd like on, we've staffed up the
19 lower Manhattan team. We just added two more
20 account managers. Two of them are bilingual. We're
21 doing outreach in the seaport and Chinatown. And
22 you know some of the items that you described are
23 specific to HUD regulations and some are our
24 policy. So let's talk offline about which
25 businesses you'd like us speak with.

1
2 COUNCIL MEMBER CHIN: Yeah I, I think
3 what I, a centrum of the HUD regulation. Instead
4 can we work with our elected official, our federal
5 elected official colleagues to try to really bring
6 these attention you know to HUD and see can you get
7 some flexibility there? Because if the government
8 really want to help these businesses they can't be
9 throwing all these barriers up. And then people
10 lost confident. You know like SBA well nobody want
11 to hear about SBA loans.

12 COLLEEN GALVIN: I think any advocacy
13 you can offer in partnership with your federal
14 representatives are, would be helpful.

15 COUNCIL MEMBER CHIN: Well that, that's
16 something that would definitely, we'll be working
17 on. And then also you have, you have businesses
18 that struggle and now they're opening back because
19 of their business motto or whatever. They change
20 partners, certain circumstances. But they're
21 staying back in the same exact location and they're
22 not getting any help because oh you're not the same
23 exact business that was destroyed. But they, one
24 partner's still there and they rebuilt.

25

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2 COLLEEN GALVIN: I know that business
3 that you're talking about too.

4 COUNCIL MEMBER CHIN: Right? It's like..

5 COLLEEN GALVIN: I know.

6 COUNCIL MEMBER CHIN: So a lot of those
7 are really creating many you know the, the small
8 business there. They are committed to rebuild in
9 this part of the community and they really need the
10 help.

11 COLLEEN GALVIN: I think we should take
12 two approaches. One is collaborating on the
13 advocacy and the issues and the second is while we
14 want to maximize certainly the deployment of the
15 federal money we're fortunate to have the
16 infrastructure and the partners that we do and so
17 we're always looking for other sources of capital
18 where perhaps there isn't an exact fit with this
19 program.

20 COUNCIL MEMBER CHIN: Yeah we
21 definitely, we'll work together on that. One last
22 point Madam Chair. Is that, I know in your
23 testimony you're talking about reaching out to some
24 of the CDFI in the city to really work with them to
25 try to shape some other kind of program that can

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2 help. And I know that there are a lot of CDFI who
3 really were there. I mean and some of them they
4 actually help the small business quite fast in the
5 beginning. They were able to get loans out to them
6 and grants from private sources to really help
7 that. And I think that the flexibility also should
8 apply to loans that were offer by CDFI which grant
9 programs were not offered to these businesses who
10 got CDFI loan in the beginning. And we had to
11 continue to advocate for that because they were
12 really helpful to all these small businesses. But
13 then they said well you can't get the matching
14 grant because you didn't get the loan. I mean the
15 first one was the small business loan, I mean grant
16 that you guys were offering. And I said yeah you
17 got the CDFI grant but you're unqualified for this
18 loan because you didn't get it from the SBS
19 program. But I think that, that should be some
20 flexibility there where the loan, I mean the grant
21 program should really be offer up to any of the
22 businesses. [crosstalk] [interpose]

23 CHAIRPERSON REYNA: I just want to make
24 sure. That point is an excellent point right there.
25 As far as the CDFI loan opportunities that were

1
2 offered to small businesses and whether or not the
3 amendment to the CDBG money can include what would
4 be a list of those businesses that were assisted
5 through CDFI loan institutions to be able to
6 qualify for grants. Because it's not like you can't
7 prove that. Those businesses have the documents to
8 meet the criteria as to what you were applying as
9 far as a loan from the city as opposed to a CDFI.
10 So the question is have you revised it.

11 JONATHAN GOUVEIA: So I can jump in
12 here. With respect to the program that Calvin had
13 referred to, the 50 million dollars for the CDBG
14 funded loans and grants what we did this time
15 around is we've said that as long as you've
16 received a loan you will qualify for this next
17 round of grants. So you don't have to do the two
18 step process that we did in the first loan and
19 grant program.

20 CHAIRPERSON REYNA: So is the, and just
21 a yes or no would be helpful, did CDFI loan
22 applicants qualify for the grants.

23 JONATHAN GOUVEIA: They would be
24 eligible for... Yes. If there was a business that got
25 a CDFI loan in the early days after the storm they

1
2 could qualify for a grant through the new CDBG
3 program.

4 CHAIRPERSON REYNA: Because that's part
5 of the amendment of the CDBG money?

6 JONATHAN GOUVEIA: It's already part of
7 the program that we've launched.

8 CHAIRPERSON REYNA: And how many have...
9 Have you made a cross reference to understand who
10 were the CDFI applicants that have not received a
11 grant.

12 JONATHAN GOUVEIA: We, SBS is the keeper
13 of the data so we could take a look at that. We
14 don't know off the top of our heads.

15 CHAIRPERSON REYNA: That would be very
16 helpful. And then obviously reaching out to those
17 that have not taken an advantage of the grant
18 because they qualify would be helpful so that there
19 is a one to one outreach effort. So that they
20 understand this is available because you already
21 met the criteria and I'm, no business is going to
22 turn around and say I don't need it.

23 COLLEEN GALVIN: Yeah.

24 JONATHAN GOUVEIA: Right.
25

1
2 CHAIRPERSON REYNA: Council member Chin
3 I'm sure you didn't finish.

4 COUNCIL MEMBER CHIN: Yeah I think with
5 that is that I, I'm glad to hear that there is
6 going to be other grant program available. The most
7 important thing is get the word out to the CDFI so
8 that they could get the word out to the clients
9 that they were able to assist. Because I mean all
10 these small business mean any kind of grant program
11 it'll be really welcome. And also I think we, we
12 just have to really look at how we can really offer
13 the flexibility to really assist the small business
14 who's going to continue to grow and continue to be
15 in our neighborhood. So I, I look forward to
16 working with you and making sure that this happen.
17 Thank you. Thank you Madam Chair.

18 CHAIRPERSON REYNA: Thank you council
19 member Chin. You know I hope council member Chin
20 continues to advocate for the small business
21 community beyond my tenor and I hope that she is
22 interested in becoming chair of this committee. I'm
23 already lobbying for her to be, to do so. Her
24 commitment to this committee has been you know very
25 appreciated and I wanted to echo her words to the

1 Department of Small Business Services because it
2 was no small undertaking what the city went through
3 a year ago and to have seen the response. You know
4 there may be criticism but it's one that we can all
5 learn from as far as where we had our shortcomings.
6 And this is one particular area where CDFIs, we
7 noticed that were assisting were brought in later
8 beyond... Or rather they were brought in five months
9 after which was part of what we learned about
10 concerning the oversight hearing post Sandy that
11 would have been helpful to understand, to be able
12 to learn from, and I hope that that is something
13 that is applicable so that your disaster plan, as
14 far as the Department of Small Business Services
15 understands that everyone including the CDFIs even
16 though it would require for the city to bring in
17 their own resources. That it requires those
18 additional partners to be at the table within the
19 first 30 days as opposed to five months later. And
20 clearly this particular amendment. You know I'm
21 assuming it's part of the amendment or was a part
22 of the original criteria where if you were given a
23 CDFI loan then you were applicable to meeting the
24 criteria for a grant or was this... [interpose]
25

1
2 JONATHAN GOUVEIA: Did you want me to
3 clarify that?

4 CHAIRPERSON REYNA: Yes please because
5 I'm trying to understand was this part of the
6 amendments, lessons learned, we want to redo that
7 part.

8 JONATHAN GOUVEIA: It wasn't one of,
9 there have been a few amendments... [interpose]

10 CHAIRPERSON REYNA: Okay.

11 JONATHAN GOUVEIA: ...since the original
12 action plan. I don't remember exactly which one.

13 CHAIRPERSON REYNA: Mm-hmm.

14 JONATHAN GOUVEIA: But it was one in
15 part exactly what you said... [interpose]

16 CHAIRPERSON REYNA: Okay.

17 JONATHAN GOUVEIA: ...from lessons
18 learned. And just to clarify. It's not just you
19 should have gotten, or CDFI loan recipients are
20 eligible. It's any loan. So if you received an SDA
21 loan, a bank loan, any, any type of loan from an
22 institution then you would be eligible for a grant
23 through our program. So not just CDFIs.

24 CHAIRPERSON REYNA: Fantastic. And as
25 far as, I know EDC has not testified. I just wanted

1
2 to make sure that I was able to continue just the
3 one important question. Why so few have
4 participated as far as the small business
5 community. If we had identified what was 13
6 thousand small businesses impacted in these five
7 zones. And obviously there's beyond the five zones
8 where there was you know an indirect impact where
9 communities that have not been rebuilt. It's very
10 difficult for a small business to consider to even
11 go back to that community. Right? And the
12 understanding as far as assessing is it that the
13 businesses are not coming to the Department of SBS
14 because they decided not to rebuild for the simple
15 reason that the area has not been rebuilt or are we
16 referring to the fact that of the 13 thousand you
17 know only 450, 400...

18 [background music]

19 CHAIRPERSON REYNA: I provided music for
20 the committee. I just wanted to make sure that we
21 have an understanding as to the ability of figure,
22 factoring in of the 13 thousand. What I'm, what I'm
23 gathering is that 450 businesses have been, have
24 expressed interest since the city launched the
25

1 preliminary application form from May. And more
2 than 250 have begun packaging their applications.

3 COLLEEN GALVIN: That's correct.

4 CHAIRPERSON REYNA: Of 13 thousand?

5 COLLEEN GALVIN: I mean it's hard for us
6 to understand why the numbers are what they are. We
7 worked through a number of outreach channels
8 certainly in the first wave.

9 CHAIRPERSON REYNA: Mm-hmm.

10 COLLEEN GALVIN: We helped probably over
11 2,000 businesses in total. Maybe 24 hundred. So
12 even in the first wave it was a percentage of those
13 13 thousand. We also have seen historical
14 statistics on disaster recovery about those that
15 don't reopen their doors. And I think it's roughly
16 those that are closed because of a disaster. I
17 think I've heard up to 30 percent don't, don't
18 reopen. So... [interpose]

19 [crosstalk]

20 CHAIRPERSON REYNA: But 30 percent of
21 13...

22 COLLEEN GALVIN: ...and that's a federal.

23 CHAIRPERSON REYNA: Right. 30 percent of
24 13 thousand is not 450.
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COLLEEN GALVIN: I agree. I agree.

CHAIRPERSON REYNA: So you know a hundred, just to point out another particular low number 125 have applied for a fee waiver. And that's of 13 thousand that were eligible or of the 13 thousand right? There have been those businesses that didn't qualify for a fee waiver because the agency they go through did not require any licensing right? So I'm just trying to understand the assessment of what is the, the pure number we're working with as far as an audience is concerned that would qualify. Because we have met with a program, the small business need or is it that we are not providing the appropriate programs for those businesses that are waiting to see oh let's see what else they come up with.

COLLEEN GALVIN: I, I think what might be helpful to answer your question is if we could follow up with specifics on some of our outreach activities... [interpose]

CHAIRPERSON REYNA: Mm-hmm.

COLLEEN GALVIN: ...and the numbers that we have reached.

CHAIRPERSON REYNA: Mm-hmm.

1
2 COLLEEN GALVIN: And that would give you
3 a better sense and also give you an opportunity to
4 provide additional suggestions for where we might
5 reach more businesses.

6 CHAIRPERSON REYNA: I, I would have...
7 [interpose]

8 COLLEEN GALVIN: Does that make sense?

9 CHAIRPERSON REYNA: Absolutely. That
10 particular communication sooner than later would be
11 helpful but I wanted to just factor in... you know
12 when you talk about 13 thousand businesses, where
13 they are who they are matters. And the City of New
14 York does not have a database of small, for
15 registration subscription for the small business.
16 Whether that's you know in the service industry or
17 not or restaurant or not there is no real inventory
18 of our small business community. Is that something
19 that the administration has taken a look at closer
20 to just understand whether or not there's a need
21 for it? So these types of, whether it's an
22 emergency or not I don't want to react to an
23 emergency. We shouldn't, our advancements in the
24 city is not a reactionary one and it should be very
25 proactive. This would measure up to be a tool that

1 would assist us beyond an emergency. Is that
2 something that you have explored, have discussed,
3 or have the ability to do so? And clearly SBS would
4 have to have what would be collaborators from city
5 hall to be able to make this happen.

6
7 You want to talk about the SAR. I mean
8 we used our CRM system that we've, you've heard us
9 talk about here before.

10 CHAIRPERSON REYNA: Mm-hmm.

11 COLLEEN GALVIN: But we know that that
12 is limited to businesses that we've touched at
13 different events or helped directly. Certainly the
14 mayor's office of data analytics has a lot of
15 resources and I'm sure the SIR team looked at this
16 extensively in their overall analysis.

17 CHAIRPERSON REYNA: And CRM is not
18 applicable at DOH, MH.

19 COLLEEN GALVIN: Right. Right...

20 [interpose]

21 CHAIRPERSON REYNA: And so... [interpose]

22 COLLEEN GALVIN: ...it's for, it's our
23 customer relationship management... [interpose]

24 CHAIRPERSON REYNA: Only through
25 business... [interpose]

2 COLLEEN GALVIN: ...system through NYC
3 business... [interpose]

4 CHAIRPERSON REYNA: ...services.

5 COLLEEN GALVIN: ...services.

6 CHAIRPERSON REYNA: Right.

7 COLLEEN GALVIN: And no other agency in
8 the City of New York has CRM?

9 CALVIN COLLINS: Correct. Not the
10 version that SBS uses. However we've, we've looked
11 at... [interpose]

12 CHAIRPERSON REYNA: Well, Calvin I'm
13 sorry. The version doesn't necessarily, I would
14 assume not, isn't important but rather having the
15 database that's applicable for the small business.
16 Right? So... [interpose]

17 CALVIN COLLINS: Right.

18 CHAIRPERSON REYNA: ...if it's, if you're
19 dealing with a small business is every agency CRM
20 tracked for small business purposes?

21 CALVIN COLLINS: That's, that's a
22 absolutely excellent question. And I think over the
23 last couple of weeks we've started to have
24 conversations with the mayor's office of data
25 analytics to... [interpose]

CHAIRPERSON REYNA: Mm-hmm.

CALVIN COLLINS: ...better understand what sets of data exist that other city agencies that are important for the Department of Small Businesses to tap into... [interpose]

CHAIRPERSON REYNA: Mm-hmm.

CALVIN COLLINS: ...so that we can understand for example tax receipts so that we can understand sort of the registration rates at various [inaudible 00:45:44] county clerk level.

So there, there really need to be a, and we recognize that at the agency. Just a concerted effort to pull data that's available at various city agency for the purpose of better design and implementing programs at the Department of Small Business Services. That is currently happening.

CHAIRPERSON REYNA: Mm-hmm.

CALVIN COLLINS: And so I believe to your point a single data source of small businesses across the city will be tremendously helpful in understanding outreach or understanding impact or just you know having the, the, the, the, the, the details of what's necessary in terms of

1
2 demographics of businesses so that we can respond
3 better for the future.

4 CHAIRPERSON REYNA: And as far as, are
5 we in particular in response to their disaster
6 recovery efforts have they assessed the need for
7 this as well, to respond to the small business
8 community? Or do they just rely on you?

9 CALVIN COLLINS: They, that has not come
10 up in our conversations with, with OEM.

11 CHAIRPERSON REYNA: You know there's a
12 bill that we passed in the City of New York in the
13 council to address this issue. I don't know if
14 anyone has brought it to the surface to address as
15 far as the administration is concerned to assemble
16 the necessary agencies but... The subscription effort
17 of a database no particular proprietary to be able
18 to understand that we have to identify in a more
19 system oriented way the ability to outreach and
20 assess and be able to proactively create programs
21 that are on a need by need basis. And I gather that
22 that hasn't, that discussion has not taken its full
23 course. There's I guess trickle of conversations
24 but nothing well-coordinated. Is that your, fair.

1
2 CALVIN COLLINS: We're beginning to have
3 those conversations and I expect that over time it
4 will become significantly coordinated because we
5 recognize the importance of it.

6 CHAIRPERSON REYNA: Okay.

7 CALVIN COLLINS: Yes.

8 CHAIRPERSON REYNA: I know that EDC has
9 a statement to read into the record so I'm going to
10 give the opportunity to EDC and I know how we have
11 a full audience here and we want to hear from
12 everyone so please begin.

13 JONATHAN GOUVEIA: Thank you. As
14 previously noted hurricane Sandy severely damaged
15 businesses and homes across the five boroughs with
16 losses to city's economy and assets totaling
17 upwards of 19 billion dollars. In the aftermath of
18 the storm EDC's initial efforts on helping New
19 Yorkers get back to was, sorry it was focused on
20 helping New Yorkers get back to work as quickly as
21 possible. One of our top priorities was
22 transportation. We were able to restore limited
23 service on the East River Ferry only three days
24 after the storm. With subway tunnels flooded the
25 service provided critical connections between

1
2 Brooklyn, Queens, and Manhattan and we saw more
3 than two times the normal number of passengers in
4 the days following the storm as New Yorkers utilize
5 the service to get to their jobs. EDC staff members
6 also installed a new temporary ferry landing in
7 Rockaway and we were able to launch a temporary
8 for, ferry service between the Rockaways and
9 Manhattan which still continues today. In addition
10 to activating alternative transportation options we
11 worked to get EDC manage assets which employ
12 thousands of New Yorkers and generates significant
13 economic activity for the city back operating
14 quickly. This includes our cruise terminals which
15 help generate an economic impact of 239 million
16 dollars for the city and the Brooklyn Army
17 terminal, home to about 3,000 jobs on the Brooklyn
18 waterfront. EDC helped New Yorkers return to work
19 even as our permanent offices were inaccessible
20 helping businesses locate temporary office space
21 and making available more than 250 thousand square
22 feet of temporary office space including 40
23 thousand square feet at the Brooklyn Army Terminal
24 to displace businesses across the five boroughs. We
25 also created a temporary online marketplace

1 matching businesses who have generously offered
2 space, supplies, or other services for businesses
3 displaced by the hurricane. The marketplace
4 provided free supplies and services ranging from
5 office furniture to technology support to carting
6 services to financial and legal assistance. In
7 terms of the financial assistance for affected
8 businesses Calvin discussed our efforts to
9 establish the city's emergency loan and grant
10 program. We also made it possible for the IDA, the
11 Newark[phonetic] sorry the New York City Industrial
12 Develop Agency an entity administered by EDC to
13 provide financial assistance to businesses
14 purchasing materials for recovery, for recovery
15 efforts offering a waiver of up to 100 thousand
16 dollars in New York City and New York state sales
17 taxes for these materials. We received about 94
18 applications for waivers. Or sorry we received over
19 a hundred applications for the waivers and about 94
20 of them were deemed eligible and approved. In the
21 end 64 businesses successfully obtained sales tax
22 letters which allowed them to proceed with
23 reconstruction work and saving up to 2.8 million
24 dollars in sales tax expenses. Building on these
25

1 efforts or several other programs being funded
2 through the city's allocation of federal CDBGDR
3 funds. SBS spoke about the 72 million dollar low
4 interest loan and matching grant program. One that
5 we continue to provide technical assistance and
6 support for today. The programs I'll discuss now
7 support small businesses to further recover, to,
8 for further recovery and to ensure future
9 resiliency. Right now the city is working with
10 small businesses and communities across the five
11 boroughs to plan for their long term economic
12 recovery and put in place resiliency investments
13 that will improve outcomes and future severe
14 weather conditions. Through the Neighborhood Game-
15 Changer Investment Competition EDC will harness the
16 best ideas from private individuals and community
17 organizations to restore neighborhood vitality and
18 economic strength in the five impact areas severely
19 affected by hurricane Sandy. Specifically these are
20 the East and South shores of Staten Island,
21 Southern Manhattan, Southern Brooklyn, the
22 Brooklynn/Queens waterfront, and South Queens. The
23 neighborhood game changer investment competition
24 aims to identify and fund projects that will
25

1 leverage private investment for capital intensive
2 projects generate economic activity by increasing
3 demands, demand for goods and service, and prove
4 accessibility to affected neighborhoods and expand
5 the customer base for local businesses. Funding
6 will be used to support small businesses and create
7 jobs particularly for low and moderate income
8 individuals. 90 million dollars in federal CDBGDR
9 aid is available to fund projects across all five
10 impact areas with the possibility of more than one
11 award to be made in each area. EDC has received a
12 robust response to this RFP released in June and
13 has convened an advisory panel to provide input in
14 the selection process and discuss community needs
15 and interest in the five impact areas. The advisory
16 panel is made up of local advisory members
17 nominated by council members, borough presidents
18 representing the impact areas as well as citywide
19 policy panel members nominated by Mayor Bloomberg
20 and Speaker Quinn. The panel contains a diverse mix
21 of local panel members with extensive neighborhood
22 expertise and experience with their community's
23 businesses, nonprofits, and community boards.
24 Citywide panel members compliment local expertise
25

1 and provide an additional background in citywide
2 policy issue areas including business and economic
3 development, policy and urban planning,
4 civiney[phonetic]engagement and resiliency. Not
5 only did Sandy, hurricane Sandy negatively impact
6 the city's economy but it also reveals significant
7 vulnerabilities in New York City's building and
8 infrastructure networks. The storm displaced entire
9 communities, stalled business activity and shut
10 down transit systems and critical networks for
11 days. Businesses in the city's affected areas
12 experienced not only physical damage to their
13 buildings but lost significant amounts of inventory
14 and business critical equipment. After the storm
15 many impacted businesses exhausted their resources
16 by making only the most necessary repairs in order
17 to get back to business quickly. To address this
18 need EDC will administer an infrastructure in
19 business, infrastructure in Building Resiliency
20 Technologies Competition to identify and deploy new
21 and innovative resiliency technologies and
22 solutions to help address these business recovery
23 needs. First through a competition called RISE NYC,
24 Resiliency Innovations for a Stronger Economy up to
25

1
2 41 million dollars in CDBGDR aid is available to
3 fund the installation of selected technologies to
4 benefit small businesses impacted by hurricane
5 Sandy to enable them to better prepare for future
6 storms. In addition the Business Resiliency
7 Investment program will provide up to another 90
8 million dollars in, in incentives to businesses to
9 make physical investments to improve resiliency to
10 severe weather. Sample investments include flood
11 protecting, elevating mechanical equipment and
12 other mitigation measures. EDC is currently working
13 to complete a detailed design of this program and
14 expects to launch in the first half of 2014. Thank
15 you I'm happy to take any questions.

16 CHAIRPERSON REYNA: So the same
17 question. Is very relevant Jonathan to the number
18 of businesses that have applied and why it is the
19 number so low?

20 JONATHAN GOUVEIA: Well the, the one
21 program out of the four CDBG that's up and running
22 is the loan and grant program which we discussed.
23 So I guess I would echo what Colleen and what
24 Calvin had said. I mean I think you know first of
25

1
2 it, first of all we, we took a few months to, to
3 establish the program... [interpose]

4 CHAIRPERSON REYNA: Mm-hmm.

5 JONATHAN GOUVEIA: ...and that's in part
6 dealing with HUD requirements which are new and
7 different... [interpose]

8 CHAIRPERSON REYNA: Mm-hmm.

9 JONATHAN GOUVEIA: ...that we didn't have
10 when we launched the first program. So we're sort
11 of starting later. But I think what we've learned
12 in the discussion from earlier, we just need to
13 continue to understand what the businesses' needs
14 are and really work on, on our outreach strategy
15 to, to, to get those numbers up.

16 CHAIRPERSON REYNA: And what is the
17 outreach strategy right now? If you could just
18 share that...

19 COLLEEN GALVIN: Thank you. So early on
20 we started with obviously our clients from the
21 first phase of recovery and we had extensive email,
22 direct mail, and phone outreach. As we hired up we
23 have 10 field staff right now, two in each borough
24 of Brooklyn, Queens, Staten Island, and now four in
25 lower Manhattan and We'll soon be hiring two more

1
2 in Brooklyn. They are getting to know the
3 neighborhoods and canvassing. We were fortunate
4 actually with the NEG program to hire five former
5 NEG staffers that actually knew these neighborhoods
6 and had been canvassing so that was fantastic. We...
7 [interpose]

8 CHAIRPERSON REYNA: Could you. I'm sorry
9 Colleen.

10 COLLEEN GALVIN: Sure

11 CHAIRPERSON REYNA: ...the... You said
12 former employees of... [interpose]

13 COLLEEN GALVIN: So Calvin mentioned
14 earlier the federally funded national emergency
15 grant that allowed us to staff up temporarily to do
16 additional outreach and canvassing and have a
17 greater presence in the impacted neighborhoods. We
18 got to know a, the folks that were working with
19 NSBS through that programed some of them applied
20 when we started hiring for this program, the CDBG...
21 [crosstalk] [interpose]

22 CHAIRPERSON REYNA: And are these local
23 residents?

24 COLLEEN GALVIN: They are.

25 CHAIRPERSON REYNA: So that's...

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COLLEEN GALVIN: They are.

CHAIRPERSON REYNA: ...primarily the reason why they know...

[crosstalk]

COLLEEN GALVIN: It's a really good success story. Yeah.

CHAIRPERSON REYNA: Fantastic.

COLLEEN GALVIN: Yeah and I would say about seven out of 10 of our field staff are bilingual. One is actually trilingual. So we have folks on the ground. We recognized that not all of our business solution centers are in impacted areas. So we've partnered with local bank branches. For example we have the Queens team embedded in the cap one branch of Beach 116th Street one day a week. We're starting the same with a bank branch on the southern tip of Staten Island this week. We are scouting spaces in Coney Island to have our team on the ground there and we have an existing relationship from the first phase with CCBA in Chinatown and we want to get our folks there on a regular basis as well.

CHAIRPERSON REYNA: Mm-hmm.

1
2 COLLEEN GALVIN: I think as we bring on
3 additional lenders we are also going to want to
4 have additional broader advertising marketing PR
5 around getting more people in the door.

6 CHAIRPERSON REYNA: And as far as the 13
7 thousand number right?

8 COLLEEN GALVIN: Right.

9 CHAIRPERSON REYNA: I continue to go
10 back to that number because that's the assessment
11 of the, of the immediate inventory that was taken
12 regarding what would be identifying store front by
13 store front what would be businesses impacted in
14 those five areas. Is, has that number been filtered
15 with what businesses have already recovered open
16 for business and then deducing what would be from
17 the 13 thousand original number to understand what
18 the balance is.

19 [crosstalk]

20 JONATHAN GOUVEIA: I'm, I'm not aware of
21 this...

22 COLLEEN GALVIN: No I don't think we
23 have that level of data but we would certainly be
24 open to pursuing sources of that information either
25 within the city or externally. I also neglected to

1
2 mention that we have been speaking at several
3 community events. We continue to seek out
4 opportunities with our existing partners and we
5 would welcome any suggestions you have or
6 opportunities you know of for us to get our staff
7 out there.

8 COUNCIL MEMBER REYNA: And what local
9 outreach as far publications are concerned; ethnic
10 newspapers have both departments or any other
11 department used to assist in the outreach that is
12 necessary.

13 COLLEEN GALVIN: Sure. So we did a lot
14 in the first phase through the, the campaign that
15 Calvin talked about. For the CDBG program our goal
16 was to couple more advertising with the edition of
17 the CDFI lenders that are coming shortly. So I
18 don't believe we placed ads for this program yet.
19 There's certainly been you know our Commissioner is
20 on ten, ten wins and we talk about it there and we
21 continue to seek PR opportunities but there will be
22 an ad campaign including the publications we
23 usually leverage like El Diario like World Journal
24 to, to get the word out.

1 CHAIRPERSON REYNA: And there's
2
3 obviously these local very, very local neighborhood
4 papers. Is there a relationship with those
5 particular publications to be able to place adds or
6 write stories regarding these programs as
7 applicable in the five zones.

8 COLLEEN GALVIN: Yes I think there are
9 especially now after this first getting through the
10 first phase of recovery. I think about our work
11 with the wave in the Rockaways, the Staten Island
12 Advance and certainly some of the bilingual papers.

13 CHAIRPERSON REYNA: I mean I know that in
14 our local area for the Brooklyn/Queens boarder..
15 [interpose]

16 COLLEEN GALVIN: Mm-hmm.

17 CHAIRPERSON REYNA: ...I haven't seen
18 anything published in Greenland, Greenpoint
19 Gazette, Greenpoint Star, The Courier, Queens
20 Courier, and those are all local papers that can
21 assist on the Brooklyn/Queens waterfront small
22 business area.

23 COLLEEN GALVIN: Those were great
24 suggestions and we will get that to our marketing
25 and press office.

1
2 CHAIRPERSON REYNA: I appreciate that
3 and you have an area like Canarsie where no one
4 would, could have ever imagined that it would have
5 been hard hit the way it was because it was
6 considered sea zone, flood zone. The area as far as
7 how many businesses were impacted there I'm not too
8 sure but is there a breakdown by zone of the many
9 of the different businesses that were impacted,
10 that total 13 thousand.

11 COLLEEN GALVIN: Again I don't know that
12 we have that data in our agency. We can find out.

13 JONATHAN GOUVEIA: Sorry what type of
14 breakdown? Just so I'm clear.

15 CHAIRPERSON REYNA: So that each area of
16 the five... [interpose]

17 JONATHAN GOUVEIA: Mm-hmm.

18 CHAIRPERSON REYNA: ...areas that have
19 been identified as hurricane Sandy recovery zones
20 have been identified with the specific number of
21 small businesses that were impacted.

22 COLLEEN GALVIN: Mm-hmm.

23 JONATHAN GOUVEIA: Okay.

24 CHAIRPERSON REYNA: And... [interpose]
25

1 JONATHAN GOUVEIA: how they distribute
2 across the five areas... [interpose]

3 CHAIRPERSON REYNA: Correct.

4 JONATHAN GOUVEIA: Okay. Yeah we should
5 be able to get that information.

6 CHAIRPERSON REYNA: That would helpful
7 for us just to identify, to see. And we want to
8 just understand. These numbers are so low to the
9 point where... [interpose]

10 JONATHAN GOUVEIA: Mm-hmm.

11 CHAIRPERSON REYNA: ...we have to do a
12 better job assessing what is it that we're not
13 doing as a city.

14 JONATHAN GOUVEIA: Right.

15 CHAIRPERSON REYNA: Because I can't
16 imagine how we came up with the 13 thousand then.

17 JONATHAN GOUVEIA: Right.

18 CHAIRPERSON REYNA: And is there 13
19 thousand an inflated number? I can't imagine that
20 we just came up with a 13 thousand figure and we're
21 going to not assist what would be 99 percent of who
22 was impacted as a small business.

23 JONATHAN GOUVEIA: Right.

24 COLLEEN GALVIN: It's your call.
25

1
2 JONATHAN GOUVEIA: Just one point that's
3 probably... [interpose]

4 CHAIRPERSON REYNA: Yes.

5 JONATHAN GOUVEIA: ...worth clarifying if
6 I may. So the loan, the CDBG loan and grant program
7 is about 72 million dollars and... [interpose]

8 CHAIRPERSON REYNA: Mm-hmm.

9 JONATHAN GOUVEIA: ...I think part of what
10 we've been, a bulk of what we've been talking about
11 here today is the 50 million, roughly 50 million
12 that's going to BDC. They're administering that
13 piece and that's the part that's launched. There's
14 this other piece that's about 27 million dollars or
15 so that's going towards the CDFIs and so we, so
16 definitely with the main program that we've
17 launched there needs to be some enhanced outreach
18 and we need to do the sort of things that we're
19 talking about. But the whole intent of the CDBG or
20 the CDFI piece of that was to really get into the
21 neighborhood, you know to really tap folks who
22 would have the kind of local knowledge and really
23 market these programs that other, that folks may
24 not have been... You know they admit there may be
25 reasons why businesses in certain neighborhoods or

1 certain types of industries may not have wanted to
2 apply to the, you know the citywide type program
3 that we've already launched. So this is a
4 recognition of that... [interpose]

5 CHAIRPERSON REYNA: Sure.

6 JONATHAN GOUVEIA: ...problem and
7 hopefully this second piece of it will help address
8 at least part of that problem.

9 CHAIRPERSON REYNA: Sure. I appreciate
10 that clarification and...

11 [pause]

12 CHAIRPERSON REYNA: So I wanted. I just
13 my policy analyst thank you. Just quickly get the
14 local law that was passed, number 63. This was
15 sponsored by myself and members of this committee
16 including council member Chin to amend the
17 administrative code of New York in relation to
18 small business and nonprofit organization recovery
19 plan in response to emergency events in, OEM in
20 consultation with the Commissioner of Small
21 Business Services no later than December 1st shall
22 develop a small business nonprofit organization
23 recovery plan to be utilized after coastal storms
24 and other severe weather and natural disaster
25

1 events. The plan developer updated shall include
2 the establishment of a voluntary database of small
3 businesses and nonprofit organizations including
4 but not limited to utilizing any existing data base
5 of small businesses and nonprofit organizations
6 maintained by the Department of Small Business
7 Services. To provide that such businesses and
8 organizations receive alerts regarding such events,
9 recovery assistance, and other relevant information
10 and to conduct outreach with some more businesses
11 and nonprofit organizations to encourage their
12 registration in such database. Again which is also
13 voluntary because we're not trying to force any
14 business. We want to just show them that we're
15 trying to practice best outreach efforts. Has this
16 particular law been discussed with OEM. I believe
17 Calvin you mentioned no it has not.

18 CALVIN COLLINS: Not to my knowledge
19 chair.

20 CHAIRPERSON REYNA: And... Go ahead.

21 COLLEEN GALVIN: It, it's possible that
22 our business outreach team, some combination of...
23 [interpose]

24 CHAIRPERSON REYNA: Yes.
25

1
2 COLLEEN GALVIN: ...our business outreach
3 team and the New Business Acceleration Team or RBAD
4 NBAD have been in touch with them and we are just
5 not aware. But we will find out.

6 JONATHAN GOUVEIA: Yes.

7 CHAIRPERSON REYNA: Fabulous. Thank you
8 very much. EDC, I don't know if you're going to be
9 part of these discussions. I would imagine as a
10 contracted agency through SBS that you will be
11 notified of the same recovery plan.

12 JONATHAN GOUVEIA: Right.

13 CHAIRPERSON REYNA: But have you been
14 contacted by OEM?

15 JONATHAN GOUVEIA: I don't know about
16 OEM but I do know we, I've and Joe can jump in as
17 well. We've certainly the, the bill and I know that
18 we've had some conversations with SBS about it in
19 general. And I certainly expect that we'd be part
20 of it but Joe can jump in as well.

21 JOE COLETTI: Yeah and just to, you know
22 to what extent EDC specifically will be involved in
23 terms of that specific bill is hard to say but
24 there has been some discussion with city hall. And
25 obviously when, you know when we have a bill on a

1
2 deadline you know we have to meet it. So I expect
3 that there will be many more conversations to date.

4 CHAIRPERSON REYNA: Thank you I
5 appreciate the updates after this hearing because
6 it's fast approaching as far as December 1st is
7 concerned. And if the preliminary discussions have
8 occurred I appreciate that but that would not be
9 sufficient to meet the deadline. And they were
10 synchronized so that we were able to have the May
11 date, the October dates, and now this December date
12 so that we had a better understanding of the
13 recovery efforts in relationship to small
14 businesses as identified in the universe of the 13
15 thousand. So it was meant for to be a tool for all
16 of us to be able to work synchronized as opposed to
17 trying to do the minimum because there are so many
18 businesses out there that we're not reaching I
19 would think that this particular bill should give
20 us that opportunity to start reassessing which you
21 are constantly doing but reassessing further what
22 would be best, better practices. Thank you. Council
23 member Chin.

24 COUNCIL MEMBER CHIN: Thank you Madam
25 Chair. I was just wondering like, because of a lot

1 of the small business that was impacted, I mean
2 even some in the, in the seaport, South Street
3 Seaport area they didn't apply for a loan. They
4 didn't want to apply for a loan. And so I mean
5 there might be a lot of business out there that
6 really all they hear about is loan program. It is
7 that we're not interested. And there's no grant
8 program that's, that is by itself, that people
9 could apply. I mean the only grant program that was
10 available was grant program I know one the, the
11 Manhattan Chamber of Commerce did us one that
12 helped small business in Chinatown partnership
13 didn't want. So individual organization, business
14 organization, they did their own. But there was no
15 government grant program on its own. So you had,
16 you were missing a large number of businesses that
17 just do not want to get another loan. So they,
18 they're, they're a miss out on all these grant
19 program. So somehow if there's way to offer just
20 some pure grant program to really help some of
21 these business who got back on their own with their
22 savings. And especially I'm looking at EDC's
23 testimony with this RISE or a New York City
24 Resilient Innovation For a Stronger Economy. You're
25

1
2 going to have 41 million dollars available to sort
3 of like technology and the Business Resilient
4 Investment Program, another 90 million dollar. Is
5 that, I mean how are you going to be able to offer
6 that up to small business who are rebuilding who
7 might be able to use these and I hopefully these
8 are not loan programs right? These are incentive
9 grant programs?

10 JONATHAN GOUVEIA: Those would fall in
11 the spectrum. Those would fall into the, the
12 category of grant.

13 COUNCIL MEMBER CHIN: Yeah so I think if
14 some of these money can really kind of offer out
15 then let people know that. Okay you spend your own
16 money to rebuild but the, there are these program
17 here that can help you be more resilient.

18 JONATHAN GOUVEIA: Exactly.

19 COUNCIL MEMBER CHIN: So that they at
20 least could take advantage and get some of the help
21 they need. So I think really packaging it and
22 really getting it out... [interpose]

23 JONATHAN GOUVEIA: Mm-hmm.
24
25

1
2 COUNCIL MEMBER CHIN: ...to business cause
3 I know a lot of them even in South Street Seaport.
4 I mean like no we, we just did our own.

5 JONATHAN GOUVEIA: Right with the
6 business resiliency investment program we're in the
7 process of designing the program now and it's going
8 to, we will be launching it in early 2014 so it
9 hasn't begun yet but I think again as we've been
10 talking about throughout this hearing obviously we
11 have to cognizant of the, the outreach and the
12 marketing to make sure it hits as many people as
13 possible.

14 COUNCIL MEMBER CHIN: And also what does
15 it really mean, like examples you know? So that you
16 can go out there like the department of small
17 business service you can, with your outreach team
18 you could go out to these small businesses and
19 really talk with them and find out, well what do
20 you really need to help you become more resilient.
21 I mean you're in the flood zone. Is it just
22 elevating your electrical equipment and how much
23 would that cost and how much money would they be
24 able to access you know from the city to help them

1
2 fund that? And then maybe they have to take out a
3 loan program... [interpose]

4 JONATHAN GOUVEIA: Right.

5 COUNCIL MEMBER CHIN: ...in order do it
6 but at least some kind of back and forth
7 discussions with these businesses. I think that
8 would be helpful because I know in the seaport area
9 with the Old Seaport Alliance they were talking
10 about well how do we, what can we do to block the
11 flood water?

12 JONATHAN GOUVEIA: Right.

13 COUNCIL MEMBER CHIN: So those kind of
14 discussions are happening because they're still in
15 the flood zone. I mean they're not moving but
16 they're still there. So if the next storm hits how
17 do they going to be better protect, you know
18 protected. So I think if, if that preparation were
19 can happen I think more businesses would be able to
20 benefit.

21 JONATHAN GOUVEIA: Agreed.

22 COUNCIL MEMBER CHIN: Alright. Thank
23 you.

24 CHAIRPERSON REYNA: Thank you council
25 member Chin. There's outstanding responses right?

1
2 That we are looking forward to receiving? I look
3 forward to working with you for the December 1st
4 deadline. And we have a host of panels that we want
5 to hear from and if you are able to clear your
6 schedule for another hour I would most appreciate
7 it. If not at least one representative from each
8 agency so that we are able to be, to have what is
9 being shared here today as part of the inventory of
10 concerns that we have to continue to pay attention
11 to. But I appreciate your testimonies, your work,
12 the enormous job in undertaking that you have
13 provided to be able to get back on our feet as far
14 as the city is concerned at a macro level. And
15 obviously as we work towards the micro details to
16 be able to continue those efforts on a neighborhood
17 to neighborhood level we are at your assistance,
18 service, whatever we can do as partners to be able
19 to reach and optimize those efforts where available
20 to you. Thank you so much.

21 JONATHAN GOUVEIA: Great thank you.

22 JOE COLETTI: There's one more thing I
23 just wanted to make sure was on record.

24 CHAIRPERSON REYNA: Yes.
25

1
2 JOE COLETTI: I wanted to make sure we
3 wish you a happy birthday this weekend.

4 CHAIRPERSON REYNA: You, you get brownie
5 points for that. Joe you didn't identify yourself.

6 JOE COLETTI: Joe Coletti EDC. Happy
7 birthday this weekend to council member Diana
8 Reyna.

9 [laughter]

10 CHAIRPERSON REYNA: Too much of a love
11 fest here. Okay. Thank you Joe. I wanted to just
12 invite James Ellis from the Brooklyn Chamber of
13 Commerce, Linda Barron from the Staten Island
14 Chamber of Commerce, Dean Balsamini from the
15 College of Staten Island Small Business Development
16 Center and Rob Piechota from the Small Business
17 Development Center at, from 25 Chapel Street. It's
18 the Brooklyn Small Business Development Center.

19 [pause]

20 CHAIRPERSON REYNA: We want to wish
21 Colleen who's last day is today and I just heard
22 that from her personally, so we want to wish her
23 well in her endeavors. She's moving to Community
24 Development at City Bank. And I know she will do
25 even greater things there. Thank you so much

1
2 Colleen for your service to the city. So now we
3 have our next panel. You may begin ladies first,
4 gentlemen, yes?

5 LINDSEY BARRON: My name is Lindsey
6 Barron. I'm the President of the Staten Island
7 Chamber of Commerce. I represent 800 small
8 businesses on Staten Island, 20 thousand employees.
9 Thank you council member, chair Reyna for hosting
10 this hearing again. We were at your last hearing. I
11 did not in my testimony comment on the, the grant
12 loan programs but I just wanted to make a statement
13 in terms of the Department of Small Business
14 Service's outreach, I, I think that they've done
15 very good outreach on Staten Island. The one thing
16 that I would like to note is that I do believe it
17 is the program itself. Number one the amount
18 initially was only 25 thousand. We had people that
19 were looking for much more than that. In addition
20 to that the, the feedback that we've gotten from
21 the business community with the, is that the
22 paperwork was extremely difficult encumbersome and
23 that was part of the issue. So there's a lot of
24 frustration as council member Chin said in
25 businesses and really the majority of the

1
2 businesses that are up and running right now have
3 really done that on, on their own in terms of the
4 grant program. Again we heard from numerous
5 business owners that if they apply for a grant from
6 another source besides SBS they were not eligible
7 for the grant and they felt that that was very
8 unfair. The new program that's coming out, we
9 haven't heard anything about that yet. I think that
10 that will draw a lot of attraction to the SBS
11 programs that are out there. So if they really do
12 market that I think a lot of people, especially if
13 they can go back and they apply for a loan early on
14 and they're eligible for it. That'll definitely
15 come out, come out of the wood work to get that if
16 they can possibly get it.

17 CHAIRPERSON REYNA: And then to... I, I
18 don't want to interrupt your testimony but I want
19 to just understand the range. You said too little
20 money, too much paperwork. What would be the ideal
21 average loan amount versus what would be offered
22 currently.

23 LINDSEY BARRON: I mean I know people
24 that want it up to, up to four million dollars. So
25 I mean, yeah I would say maybe 150, 200 thousand

1 dollars at least. And I think, and, and the other
2 comment that you made about a database is really
3 important because we tried to get information on
4 the number of impacted businesses and the level of
5 impact and from federal, from city, from state and
6 we haven't been able to get that at all. So without
7 further ado let me move on to my testimony.

9 It's been one year since hurricane
10 Sandy and the Staten Island small business continue
11 to struggle with issues affecting the economic
12 potential of otherwise viable commercial corridors.
13 Before the storm many corridors were already
14 suffering from the effects of a poor economy
15 increasing fines and fee for regulations and other
16 impediments to a robust business climate. Hurricane
17 Sandy only compounded and added to these problems.
18 On average businesses have reported 35 to 40
19 percent decrease in revenue due to a shrinking
20 customer base and a lack of neighborhood cohesion
21 and planning. Hurricane Sandy caused a devastating
22 amount of damage to business property, inventory,
23 and sales potential. Our small business owners that
24 have returned has absorbed much of the cost to
25 reopen and then now express the need for programs

1 and initiatives that spur economic activity and
2 growth. The Midland Avenue carter for example has
3 been described by residents and business owners as
4 a ghost town since hurricane Sandy. Our assessment
5 there is that 30 percent vacancy rate and that the
6 sidewalk streets gave lighting and security are
7 inadequate. These inadequacies create an
8 unappealing impression for potential shoppers.
9 Within a block of Midland Beach and with amazing
10 views of the water and access to nearby city parks
11 it shouldn't be the case that this corridor is in
12 the shape that it's in. And Midland Avenue is just
13 one of a number of corridors that have the
14 potential and opportunity to be hugely successful.
15 Not just for businesses but for residents and the
16 city as property values and tax revenues would
17 increase dramatically. Vacancies are a key
18 component in gaging a corridors economic health. As
19 it stands now, to the best of our knowledge there
20 are no city agencies that measure vacancy rates and
21 data on vacancies is scarce. We would recommend
22 that SBS or a like agency begin assessing the
23 vacancy rate in Sandy impacted corridors. With this
24 data programs and incentives would be created to
25

1
2 input from all stakeholders. Above all business
3 owners borough wide are asking for opportunities
4 for marketings, storefront improvements, commercial
5 revitalization and neighborhood planning. The
6 businesses that have not reopened are most likely
7 gone for good. It is not time, it is now time to
8 support the businesses that have fought so hard to
9 get their doors back open but are still struggling
10 to stay afloat. The city can do this by assessing
11 vacancy rates and developing programs to, to that
12 inspire resilience, sustainable, aesthetically
13 pleasing economic corridors. It can allocate monies
14 to business organizations like Chambers of Commerce
15 to develop and support the creation of merchant
16 associations, shop local initiatives, and encourage
17 private investment. There is still much that needs
18 to be done for struggling small businesses but
19 there are steps that can be taken to help restore
20 and make real the potential of so many affected
21 neighborhoods on Staten Island and throughout the
22 city of New York. Thank you.

23 DEAN BALSAMINI: I guess I could say
24 Happy Birthday too.

25 [laughter]

1
2 DEAN BALSAMINI: No. Good to see you
3 again and also good to see you councilwoman Chin.
4 My name is Dean Balsamini and I will brief because
5 I know this is in the essence of time but as
6 following with Linda I'm the Director of the Small
7 Business Development Center at the College of
8 Staten Island. And the SBDC basically has been
9 founded, it's our 20th year on Staten Island. I
10 have not been here 20 years. I was formally with
11 AT&T but I've been here nine years and, and lived
12 here for 33 years. And so I'd like to attest to
13 some of the things that we, we feel are, have
14 happened and we can improve on and so forth and so
15 on. On October 29th the impact of super storm Sandy
16 wreaked significant damage to the coastal areas in
17 New York, New Jersey, and Connecticut flooding both
18 residential and commercial properties. CSI is
19 located in the heart of Richmond County which is
20 one of the hardest hit counties in the state of New
21 York. So over the past year the SBDC at the college
22 has responded by reaching out to the small business
23 communities of Staten Island and South Brooklyn.
24 Besides our main office at CSI which is at the
25 campus we have a satellite office in Bay Ridge

1
2 Brooklyn on 95th Street and 3rd Avenue and we also
3 have opened in May another office in New Dorp
4 Staten Island. Now the reason we did that
5 fundamentally is, and I'll talk about US before,
6 kind of deviating a second here, but US before
7 about how do we get the message out. My philosophy
8 is feet on the street. Getting closer to the areas,
9 getting closer to the issues, and that's closer to
10 the Midland Beach and the areas of Staten Island
11 that Linda had actually addressed before. So these
12 are the areas that were the coastal areas most
13 heavily affected by the storm. All three locations
14 continue to be busy with continued effort to assist
15 the areas that are working through the process
16 these leading to a complete recovery which we
17 expect will take many years and I'll clarify that
18 in a moment. But the outset, the SBDC worked with
19 the corporation of CSI, the SBA, local civic
20 leaders, and also work with the Chamber of
21 Commerce, the SIEDC on Staten Island, and other
22 organizations which I think was really important.
23 We also have the benefit of a subject matter expert
24 who's the president of the college William Fritz.
25 Dr. Fritz is a subject matter expert, a geologist

1 that actually put together a paper earlier in the
2 year and was ready to deliver it in November of
3 last year. Actually the proceeding went into effect
4 in October about the impending hurricane danger to
5 New York City. Through November 15th, and let me,
6 one other point. Walsh when we set up business
7 recovery center at the college in conjunction with
8 the SBA one of the reasons why we thought initially
9 it was extremely effective is we were collocated we
10 were not. There were many many agencies providing
11 information at that point in time right after the
12 storm. And so many of these agencies were in a
13 large environment somewhat intimidating to many
14 people who would seek information and assistance
15 and kind of were confused. There were several of
16 people that were brought in were not from the area,
17 were not from Staten Island. And that was kind of
18 initially a major problem. We then collocated at
19 the college, we have parking spaces, we had
20 facilities to provide to actually do personal one
21 on one counseling. So for example they were by
22 appointment. And secondly if they couldn't come to
23 us we went to them. We found that to be a very
24 effective process because many of them found the
25

1 paperwork daunting and in many cases a couple of
2 the clients brought in their attorneys to have them
3 filled out, true story. Through November 15th 2013
4 we handle over 13 hundred inquiries regarding super
5 storm Sandy recovery and have interacted with over
6 300 businesses, business owners. Over 240 of the
7 business owners have applied for SBA and NYBDC
8 disaster loans. Thus far we have handled directly
9 close to 8 million dollars okay of funding to these
10 businesses during this period of time. The figure
11 does not include insurance settlements that have
12 been secured many businesses are still in varying
13 stages of recovery such as planning the stages to
14 rebuild in a more resilient and responsible manner.
15 An example of this is the Sandy Hook pilots
16 Association. Their organization provides harbor
17 services for the port of New York City. They're
18 approved for an SBA disaster loan of two million
19 dollars but that's really just a drop in the bucket
20 no pun intended here, that was inadequate to
21 rebuild in a manner that would be able to withstand
22 another storm of similar magnitude. They'll need
23 about another five to six million dollars and they
24 approached us and we would have sponsored them,
25

1 collaborated with them to apply for a loan, a grant
2 I should say, and this application was filed
3 October 15th of 2013. And then in they're in the
4 process of being reviewed by the Office of
5 Emergency Management. This is one example of the
6 businesses and I guess Linda had mentioned before
7 about some of the other issues but over the next
8 two to three years we expect, based on the clients
9 we've been handling now, possibly another 15 to 20
10 million dollars of recovery funding because people
11 have been reluctant. The process does take a long
12 period of time. We have now done more analysis by
13 analyzing their cash flows; we work with them to
14 actually understand better about the business
15 issues. So we're finding that as becoming much more
16 effective approach in analyzing one on one to seek
17 our assistance. You mentioned earlier and in
18 another inquiry on another panel about our,
19 outreach strategy and I'll address that because I
20 think we have a fairly effective outreach strategy.
21 And that is we do the normal email, social media,
22 we all Facebook Twitter but you're also involved
23 with networking events because they were many
24 small, excuse me, many, many small organizations,
25

1 nonprofits, and what have you that pop, have popped
2 up during this period of time who are well
3 intended, well-meaning but we've had to work with
4 them as well to try to assist in the community. We
5 also use the local media; the Staten Island
6 advanced business trends in Brooklyn, the home
7 reporter, and others. But I think one of the other
8 key advantages is to get involved with the business
9 associations which is what we've done in Brooklyn
10 as well; the 3rd Avenue, 5th Avenue, 13th Avenue, and
11 18th Avenue Associations. I'm going to skip some of
12 the other pieces because I know we're, we're short
13 here on time. But we've also worked with the New
14 York City and New York State resource programs. One
15 of the things that going forward that I think is
16 critical in discussions with SBA officials,
17 experienced disaster experts, expectations that a
18 full recovery of the business community will take
19 years to accomplish. On Staten Island hurricane
20 Sandy has changed the business landscape both
21 literally and figuratively. The huge amount of
22 restoration work done in the past year has brought
23 into dramatic focus the enormity of what remains to
24 be done. I'll skip the piece about the economic
25

1 impact. I know we, we've talked about that. Another
2 example though that has been impacted. Another
3 client is Roller Jam USA a roller skating rink
4 located on the South Shore of Staten Island
5 actually in, in Richmond Valley. The coastal region
6 was flooded as many homes and businesses have only
7 begun, begun the recovery process. The business was
8 the first in New York City to receive both SBA and
9 New York City phase one and two disaster loans.
10 However the business had to be completely rebuilt
11 after the storm paying close to 30 thousand dollars
12 in rent for six months until it could reopen its
13 doors. Roller Jam reopened to clientele and
14 continues to struggle through the economic
15 repercussions in addition to the recession that
16 preceded Sandy in the area. The business is still
17 struggling and not totally profitable post Sandy.
18 While that has a mass considerable, considerable
19 debt to rebuild the owners are using family savings
20 to repay the loans that are taken to rebuild after
21 the storm because the business cannot yet support
22 the additional debt. Finally the point I, I raised
23 before about Dr. Fritz. I have attached papers for
24 the, for the, for the council. He had written an
25

1 article on October 23rd which appeared in the local
2 papers. He's be, being considered in the local area
3 as a subject matter expert who's testified in
4 Washington, Albany, and in the city about the
5 issues. And he's also enclosed a map which I think
6 is almost so simple and yet is very very
7 appropriate. Now just display it to the council.
8 What this is, is just showing people that because
9 this was really, it was a search, people were not
10 prepared to understand the implications of a search
11 and in the coastal areas that, that a role of the
12 Staten Island area people went where? The
13 basements. And so that's when lives were lost on
14 Staten Island of 31. So he's proposing signs
15 similar to this which the borough president's
16 office is considering to be posted you know
17 throughout key areas of the island alerting where
18 the high ground areas are on island as opposed to
19 emergency centers which had been in the past. So
20 with that in mind I just want to close and just
21 state that the SBDC believes in the resilience of
22 small businesses, the importance upon our
23 community. We'll assist these businesses to plan
24 for the opportunities in rebuilding and the
25

1
2 resurgence of the area but full recovery again will
3 take many years. We need your help. Thank you very
4 much.

5 CHAIRPERSON REYNA: Very clever symbol.
6 Just wanted to comment. The symbol?

7 DEAN BALSAMINI: Yes.

8 CHAIRPERSON REYNA: The storm surge
9 symbol.

10 DEAN BALSAMINI: Yes, oh yes. Yes.

11 CHAIRPERSON REYNA: Very clever.

12 DEAN BALSAMINI: Yes. Yeah he, I think
13 he'd, has been, been effective... [interpose]

14 CHAIRPERSON REYNA: Mm-hmm.

15 DEAN BALSAMINI: ...in its delivery and
16 everything else. Thank you.

17 CHAIRPERSON REYNA: Thank you.

18 DEAN BALSAMINI: Thank you.

19 ROB PIECHOTA: Madam Chair, Ms. Chin,
20 Jeff, colleagues, my name is Rob Piechota. I'm the
21 director of the Brooklyn Small Business Development
22 Center. I, I will not read to you my statement. You
23 have it in your, in your hands and I put together a
24 couple of documents there that might be of interest
25 to you. And again in the interest of brevity of

1
2 time and, and sort of yielding some time to my
3 colleague I just want to make a couple of points.
4 First of all the SBDC, it's a, it's a statewide
5 network, a nationwide network but we have eight
6 different SBDC officers in, in the five boroughs. I
7 think in the response to Sandy one of the principle
8 good things we did was our rapidity and nimbleness
9 in responding to the disaster. Outreach, we
10 actually were funded to provide additional outreach
11 services or, or, or services in like. In a rather
12 rapid period of time one May we got the actual
13 additional budgeting in Brooklyn. And we had four
14 locations open within the 30 days. You mentioned
15 outreach best practices. Clearly a best practice as
16 Dean mentioned was let's go out to where the
17 business is. I could wait a 25 Chappell Street
18 until the flood water subsided. But the best way to
19 do it is go out there to where the folks can
20 actually meet with you. I think there's a situation
21 going now especially. There's program fatigue.
22 There's so many programs, so many good deals, and
23 after a while you start to say not sure if I want
24 to go that route again. Loan? I've been down there
25 before I've got several loans open already. So I

1 think of the things that SBDC did particularly well
2 was we are actually triaging for the different
3 programs. We have to go to school and work
4 different folks are offering in different locations
5 and we'll take information, we'll package loan,
6 we'll grant applications for SBS and pass it on to
7 our SBS colleagues. God bless them. It'll be a lot
8 of activity but we try not to make promises we
9 cannot keep. We have no budget for advertising so
10 what we do it's largely word of mouth or from
11 referral sources. Since Sandy occurred probably our
12 greatest referral source has been our elected
13 official staff offices. You all are getting
14 complaints or, or inquiries and honestly you've had
15 like eight thousand a, a, a day so you start
16 calling us or assembler agencies; the BOCs, the
17 women's resource centers and we'll try to help
18 them. And I think one of the creetos[phonetic] I
19 have in my office is if you touch one of us you
20 touch all of us. If we cannot help you we'll get
21 you to the chamber, we'll get you to another SBDC,
22 or somebody who has the skill that can perhaps
23 really zero in on the issue. Maybe it's not a loan
24 they want but sometimes as Dean mentioned we have
25

1 to do the cash flow analysis to tell them that's
2 the only way you're going to get back into
3 business. And sometimes it's, it's a grant if it's
4 possible but quite often it's not. And some of
5 these new programs which actually are pretty good
6 but people kind of get turned off by the word loan.
7 The SBS program right now is a one percent loan. So
8 it's, we have to kind of sell some of these things
9 to our clients but clearly we're under reaching our
10 goals. We want to see more people as we move
11 forward. As we triage we have to sometimes figure
12 out is it, is it a possible at all for SBS solution
13 or an SBA solution. We're still working on SBA
14 loans that were turned down initially. We're
15 resubmitting, trying to rework the numbers and
16 we've done that a lot. A lot of the numbers you see
17 on, on our scorecard if you will were repackaged
18 loans that were turned down initially twice. It
19 happens. I mean god bless the SBA, they, they have
20 their issues but their still required to safeguard
21 the taxpayers' dollars so I won't go into great
22 detail about that. And again in terms of the city
23 programs right now it's, I think sometimes people
24 sort of get burned out with the you know SBS or, or
25

1
2 the S, whoever. Quite often there's a lot of
3 agencies at play here. Is it, you know we have HUD.
4 We have a number of different agencies that sort of
5 overseen these programs. So we have to meet a lot
6 of masters in order to get these programs approved.
7 So it's, it's a, it's a work in progress and I just
8 hope we don't, don't overpromise in the future
9 moving forward. I'll end with this. If you want to
10 kind of get a feel for the irony and probably you
11 two especially have heard these kind of stories
12 before. I attached a letter from one of my clients
13 that I advocate for. And he's been through the SBA
14 process, going through the SBS city program right
15 now and it, it, it speaks volumes about sort of the
16 road they have. And again largely what's most
17 frustrating for this individual is, and, and
18 businesses like him is, they're sort of going by a
19 promise and then once they... And if you're counting
20 on that money, this gentlemen's been in the, in the
21 hopper for 13 weeks and he's almost there he's been
22 told. But, and I guess not a lick on anyone ANC
23 it's, it's the process but if, if you all had the
24 power of Zeus if you will and you could sort of
25 wave your make these things happen faster. Get all

1
2 the key reviewers to play nice in the sandbox. If,
3 if they're counting on money let's get the money
4 available to these folks in a quicker fashion. It's
5 easier said than done again. So I'll leave it at
6 that. I'm, I'm always looking for better ways to do
7 things and I'm going to pass it on to my colleague.
8 Thank you.

9 JAMES ELLIS: Good afternoon. My name is
10 James Ellis. I'm a Manager of Neighborhood Economic
11 Development Initiatives at the Brooklyn Chamber of
12 Commerce. And thank you for this opportunity chair
13 Reyna and council member Chin. I'm here delivering
14 testimony on behalf of Carlo Scissura President and
15 CEO of the Brooklyn Chamber of Commerce. The
16 Brooklyn Chamber is a membership based or business
17 assistance organization that represents the
18 interest of over 14 hundred member businesses and
19 other businesses across the borough of Brooklyn.
20 The Brooklyn Alliance is the not for profit
21 Economic Development Organization of the Chamber
22 which works to address the issues of businesses and
23 needs throughout the direct business assistance
24 through the need through direct business assistant
25 programs. We thank the committee for inviting the

1 Chamber to testify at this hearing and command
2 your, commend your efforts on continued dialogue to
3 restore New York City's small businesses one year
4 after. Over the past year helping small businesses
5 ravaged by hurricane Sandy has been at the
6 forefront of projects and activities undertaken by
7 the Brooklyn Chamber. Immediately following the
8 storm the Brooklyn Chamber released and circulated
9 a comprehensive Hurricane Sandy relief guide that
10 included contact information for insurance
11 companies and city agencies. The chamber also
12 dispatched personnel to affected areas to observe
13 firsthand the immediate businesses faced and
14 subsequently began coordination efforts that
15 included making office space available at no cost
16 for those directly impacted. The Brooklyn Chamber
17 also joined forces with the Brooklyn Community
18 Foundation and other partners to establish the, the
19 Brooklyn recovery fund, a pool fund by
20 Brooklynites, for Brooklynites which has sense
21 raised over three and a half million dollars to
22 help effected businesses and communities. Since
23 December 2012 the New York City Business Solutions
24 Brooklyn Center which we operate has helped 198
25

1 businesses access hurricane Sandy recovery loans
2 and grants totaling over 6.1 million dollars. On
3 November 14th T.D. Bank awarded the Brooklyn
4 Chamber of Commerce a 200 thousand dollar grant to
5 start a citywide and neighborhood entrepreneurship
6 project to provide assistance to businesses
7 affected by hurricane Sandy. Over the past year
8 this project has enabled us to provide much needed
9 assistance in Red Hook, Sheepshead Bay, Brooklyn
10 and then through the five borough chamber alliance
11 in city Island Bronx, lower East side Manhattan and
12 Midland Beach Staten Island. Specific resources
13 went towards Merchant organizing, commercial
14 beautification and shop local initiatives. While
15 many businesses have recovered some are still
16 struggling and may face closure. As such we are
17 motivated to keep advocating for their needs and
18 look forward to working with our economic and
19 community partners across New York City to support
20 struggling businesses. As we look ahead the
21 Brooklyn Chamber would like to offer the following
22 concerns to make or keep us a priority for small
23 business recovery. Strengthen the New York City
24 business solution center's ability to be the first
25

1 thought resource for disaster preparedness,
2 recovery and rebuilding programming. This includes
3 consolidating the information and comprehension of
4 this information regarding available financial
5 technical and New York City agency resources. Sandy
6 should be used as an opportunity to have this
7 information ready for both service providers and
8 the public. The continued support of the New York
9 City Department of Small Business Services to build
10 and strengthen community networks and communication
11 channels is incredibly important. The Sandy
12 experience demonstrated the importance of these
13 networks as communities with dedicated merchants
14 and community groups had much quicker and
15 comprehensive recovery periods. Business and
16 commercial property insurance remains a critical
17 issue. There is a need for more industry
18 transparency as complicated policies and claim
19 denials leave businesses confused, feeling
20 hopeless, and angry. The ability of the mini
21 recovery rebuilding funds is incredibly important
22 although there are gaps in advocacy. Response time
23 for some programs was incredibly delayed causing
24 unnecessary stay for businesses. New business
25

1 operators or ones in the process of opening were
2 left with very little recourse as they were not
3 eligible for the available funds in spite of their
4 huge investments in their local economies. We also
5 suggest a consolidated application that could be
6 used for all the funding programming. It has been
7 reported that business operators spent an
8 unnecessary bulk of their time filing to paper
9 work. Utility providers including telephone and
10 internet were inundated with post Sandy issues. The
11 Chamber would like to urge the commitment to
12 strengthen the necessary infrastructure to minimize
13 these service gaps in disaster situations. The
14 Brooklyn Chamber also urges the continuation of and
15 increasing programming but provides grant funds for
16 rebuilding, business interruption, and resilience
17 efforts. As well as the elimination of fees
18 associated with filings and permits post disaster.
19 Finally the Brooklyn Chamber encourages the
20 continuation of reviewing regulations for small
21 business to eliminate confusion unnecessary
22 issuance of violations and fines and antiquated
23 policies. And as a combined effort of both the
24 testimonies I'd like to just add one excerpt from
25

1
2 the other testimony. We urge the issuance of
3 warnings first instead of immediate fines.
4 Standardizing customer service training for
5 inspectors and providing an agency liaison to
6 industry groups all in a language indicated by the
7 business owner. This will help remove the
8 perception that the city agencies are only out to
9 make money by imposing fines. We thank you for this
10 opportunity and your time and your continued
11 support of our small business community.

12 CHAIRPERSON REYNA: Thank you so much. I
13 want to thank this panel. I know that council
14 member Chin has a comment.

15 COUNCIL MEMBER CHIN: I also wanted to
16 thank the panel I know that the committee we
17 actually, we did a tour with the Brooklyn Small
18 Business Development Center. And I think that when
19 you talked about doing the outreach really going to
20 the, the businesses and really helping them. I
21 really appreciate that and all the work that all
22 you, all of you done. And I'm looking at this map.
23 Just a comment that College of Staten Island is
24 located in a very high ground.

1
2 JAMES ELLIS: And one of the locations
3 that is designated because we do have some space is
4 actually vehicles could come there, I know parking
5 is difficult, to park their vehicles there. And
6 also at the Staten Island mall. So the intention
7 was really to designate higher ground because in
8 effect we are on higher ground. This is what
9 happened because if a woman and a child perished
10 because she was going towards the Verrazano Bridge
11 and she, the flood, she was paralleling the flood
12 and that, that's what happened. So it brought out
13 the point about making sure people understand going
14 to high ground and those are the high ground areas.

15 COUNCIL MEMBER CHIN Yeah this is really
16 important and thank you for sharing it.

17 JAMES ELLIS: Thank you for...

18 COUNCIL MEMBER CHIN: Thank you.

19 CHAIRPERSON REYNA: I wanted to just
20 take a moment. The chart Robert that you had
21 provided. If you could just walk us through these
22 numbers. You know in particular obviously Brooklyn
23 as a center. You have pre- October 29th Sandy,
24 hurricane Sandy and then you have what would be
25 above it other numbers.

1
2 ROB PIECHOTA: I just, I want to stress
3 Madam Chair. These numbers, it's a snapshot in
4 time. I, I, I gave you a sampling number and I give
5 you a frame of reference with other SBDCs around
6 the, the downstate area so I, I wouldn't put too
7 much stock in, in terms of exact funding. But with
8 this things, these show is number of cases open,
9 the funding dollars, the funding for Sandy itself,
10 and the funding for other than Sandy. So if you go
11 across... [interpose]

12 CHAIRPERSON REYNA: Not disaster?

13 ROB PIECHOTA: Correct.

14 CHAIRPERSON REYNA: Mm-hmm.

15 ROB PIECHOTA: And then down below it's
16 just pre, pre hurricane numbers which give you some
17 frame of reference for the magnitude of additional
18 minutes seeing, just our clients and funding
19 dollars. It's just, it's just I wouldn't go
20 absolute. I would just go as far as trend lines.
21 And as Dean mentioned earlier because of the, the,
22 the odd way we report numbers some of the data
23 might cross over borough lines based on where they
24 started from, who saw them. But in essence you get
25 some flavor for. And again, to, to your point

1 earlier. This, this is well below the total
2 economic disaster. I wouldn't make a case as, as
3 you well know and, and in, in Manhattan as well
4 there's some people that will, will not even come
5 close to going to get help for these for any kind
6 of disaster assistance because they were cash
7 businesses. There was a demographic issue or the
8 storm path perhaps didn't really impact them
9 significantly. So there's a variety of reasons why
10 people are underserved. If you look... why aren't
11 more people getting help? It's a, it's a number of
12 factors but the point is a lot of people were
13 helped and we can do a whole lot more by, with
14 additional resources as we move forward. So I hope
15 that answers, or just a sum of the thing about the
16 numbers.

18 JAMES ELLIS: So if I, if I might add on
19 that just because Rob brought up a good point. We
20 have a client that came to us from Long Island
21 because she works on Staten Island. So from the
22 medley her issue though was in a, at a home in Long
23 Island... [interpose]

24 CHAIRPERSON REYNA: Right.

1
2 JAMES ELLIS: ...and vice versa so that's
3 what we'll have you know. That's why you, you'll
4 see surrounding neighborhood numbers that would be
5 at that location.

6 CHAIRPERSON REYNA: Oh I just wanted to
7 point out in Brooklyn we have 717 open cases
8 according to this chart but only 105 I'm assuming
9 this is a closed disaster case that has been issued
10 funding in the amount of totaling 965,900 dollars.

11 ROB PIECHOTA: At this point in time
12 there were 105 disaster clients designated. Now
13 some might have been overlapped that are not in
14 this number but in the ballpark of 105 that were
15 fiercely designated as disaster clients between,
16 well over a year. And that funding amount is right
17 as, as of, as of this moment in time what has been
18 actually in the hopper as far as approved funding.
19 Since this number there's one client that just was
20 approved for 300 thousand dollars out of the Navy
21 yard. So especially with SBA funding you going to
22 see probably I'm going to guess between 1.5 two
23 more million dollars that will eventually be
24 approved and added to this number. Because it
25 started back day one after the hurricane but

1
2 because of resubmission etcetera it's, it's going
3 to take time to actually make it to the, the finish
4 line.

5 CHAIRPERSON REYNA: Right. I just you
6 know as far as these offices that have been, that
7 you have very strategically placed in neighborhoods
8 where the impact was severe and to get to the door
9 to door effort that is necessary. If the businesses
10 are not there you are confident that they're
11 confident that they're seeking to look for you in
12 that neighborhood?

13 ROB PIECHOTA: No I'm, we're not relying
14 on people finding us. We're still a well-kept
15 secret. Yeah because we're collocated with some
16 people. We're like, we're collocated for instance
17 with the SBIDC in, in Red Hook. People are not
18 going to stumble upon us. So part of our strategy
19 is just getting like Offey[phonetic 01:48:14] Duff
20 and go and take a walk in the neighborhood. And we
21 see a lot of referrals from people we are trying to
22 help. Even if it's not successful there's no way we
23 can help a business reopen.

24 [crosstalk]

1
2 CHAIRPERSON REYNA: Sure there's
3 accountability.

4 ROB PIECHOTA: But you know what that
5 gal, that guy was here and you ought to go see
6 them. So we get a lot of cross referrals from other
7 associations. Carroll Garden Association for
8 instance is a tremendous referral source. We,
9 they've actually asked us to go there and set up
10 shop. And this is indicative, this is Brooklyn but
11 it's indicative across all boroughs. Once the word
12 gets out there's sort of an act of code marketing.

13 CHAIRPERSON REYNA: Sure. There's a
14 partnership effort.

15 ROB PIECHOTA: Exactly.

16 CHAIRPERSON REYNA: Where there's mutual
17 benefits. And so I just wanted to understand
18 Sheepshead Bay being one of the areas in one of the
19 five zones identified. Have you seen clients from
20 that area coming to you?

21 ROB PIECHOTA: That's been tough. There
22 are certain, certain communities due to ethnicity
23 that it's been challenging because there is a
24 language gap. We do have some language capability.
25 We have a number of dialects in Asian dialects. We

1
2 have obviously very talented in Spanish. We don't
3 have a good Russian Polish Pakistani grip so it,
4 it, it, or Hebrew. So it requires some other
5 sources but we're, we're beyond, beyond the power
6 curve on that one.

7 CHAIRPERSON REYNA: And how are you
8 coordinating with what would be translation
9 services in the city of New York to be able to
10 supply that on demand translation service?
11 Interpretation service?

12 ROB PIECHOTA: On, on demand we're,
13 we're not doing a very good job at all. We, that's
14 probably an opportunity for growth there.

15 CHAIRPERSON REYNA: Is it because you're
16 not linking with the Office of Immigrate Affairs or
17 the Office of Small Business Services where there
18 would be an opportunity to have translation
19 services?

20 ROB PIECHOTA: I, I think the
21 opportunity to work more closely with SBS. Although
22 I got to say in Brooklyn we have a very good
23 relationship with our local office. However there's
24 one location that, close by us and we've actually
25 offered to work with them and they've actually

1
2 trained us in a number of areas. But it's clearly
3 an opportunity for growth with us. We, if we have a
4 translation issue we would love the extra resource.
5 And, and we're just unskilled, uneducated about
6 what, what's out there.

7 CHAIRPERSON REYNA: And have you
8 requested assistance from the Office of Immigrant
9 Affairs.

10 ROB PIECHOTA: Nope, never have.

11 CHAIRPERSON REYNA: Can you do that?

12 ROB PIECHOTA: Absolutely.

13 CHAIRPERSON REYNA: In order to assist
14 you?

15 ROB PIECHOTA: It's, it's a great tip.

16 CHAIRPERSON REYNA: Fantastic and the
17 same...

18 ROB PIECHOTA: Yeah we definitely, it's
19 a great point and in many cases let's assume there
20 was a language barrier or we knew in advance. And
21 if not we'd even leverage the local professors, the
22 people at the college. We have an opportunity to be
23 able to leverage different languages and
24 assistants. So we've done that in many cases with
25 some of our variety of programs.

1 CHAIRPERSON REYNA: Mm-hmm.

2 ROB PIECHOTA: Because they're right on,
3 we're, we're located right on campus.

4 CHAIRPERSON REYNA: Mm-hmm.

5 ROB PIECHOTA: But the other point that
6 you asked earlier on about could I think
7 collaboration was really right on point.

8 CHAIRPERSON REYNA: Mm-hmm.

9 ROB PIECHOTA: We are located not far,
10 satellite offices at banks. So we'll get referrals
11 from the banks. We're there to also assist if they
12 on you know coming in for loans or whatever. And
13 then we also get referrals from my colleagues that
14 are here; the Chamber of Commerce. So we'll get a
15 call that says you know can you help these folks
16 out? They've had a problem. They might need beyond
17 a business plan they need some sort of analysis and
18 some sort of help. So there is a, a cooperator,
19 cooperative effort that goes on in this process.

20 CHAIRPERSON REYNA: And I notice in
21 Staten Island and I, again I'm not too sure what is
22 the volume of small businesses registered amongst
23 the 13 thousand that belongs to your recovery zone
24
25

1 right. There's 474 businesses that are open as
2 clients and 174 with disaster... [interpose]

3
4 ROB PIECHOTA: Right.

5 CHAIRPERSON REYNA: ...where 3,000,636
6 dollars are associated with a successful loan
7 opportunity.

8 ROB PIECHOTA: Correct and then the
9 other piece of that, because it adds up to the
10 eight million is from our satellite office in Bay
11 Ridge. You see Staten Island as you know the
12 population is like 470 thousand. Well when we did
13 an analysis about three years ago the other side of
14 the bridge is almost a million people which is the
15 Bay Ridge Bensonhurst and Gravesend area. So we set
16 up a satellite office three years ago over in
17 Sovereign Bank on 3rd Avenue and... [interpose]

18 CHAIRPERSON REYNA: Right.

19 ROB PIECHOTA: ...95th Street. So that was
20 a, that was loans were, also from people who came
21 into that satellite office.

22 CHAIRPERSON RYENA: Mm-hmm.

23 ROB PIECHOTA: So we have roughly as I
24 mentioned earlier eight million dollars of impact.
25 But I think the number that I'm, I'm really, I'd

1
2 like to emphasize it's roughly 41 percent of our
3 intake during that, that year the fiscal year that
4 just ended were people who are Sandy related. And I
5 extruded part of that of us having and being
6 collocated, at that time, with the SBA we, we were
7 up and running probably about six days after the,
8 the you know once the power came in and everything
9 else. So roughly, you know we had roughly around 41
10 percent... [interpose]

11 CHAIRPERSON REYNA: Mm-hmm.

12 ROB PIECHOTA: ...that actually had you
13 know Sandy related inquiries and, and, and impact.

14 CHAIRPERSON REYNA: Sure. Well I
15 appreciate the analysis. It's helpful and it just
16 shows us how much more work we have ahead of us.
17 The ordinances Linda that you shared we will
18 certainly continue to aggressively look into those.
19 And if there's any further details that you would
20 like to contribute to those ordinances let us know.
21 And I just wanted to thank your partnership in
22 assisting small businesses in the City of New York
23 recover and become more resilient for the future.
24 Thank you.

25 ROB PIECHOTA: Thank you.

1
2 CHAIRPERSON REYNA: Alexandra Seneca
3 from the Dumbo bid, Monica Byrne from Restore Red
4 Hook, Wellington Chen from the Chinatown
5 Partnership.

6 [pause]

7 CHAIRPERSON REYNA: Victor Wong from the
8 Partnership for New York City.

9 [pause]

10 ALEXANDRA SENECA: Good afternoon and
11 thank you very much for the opportunity to provide
12 you an update on Recovery Efforts in Dumbo
13 Brooklyn. So I'm the Executive Director of the
14 Dumbo Improvement District, the local bid. And
15 Dumbo suffered major damage to more than a dozen
16 small businesses and art spaces during the, during
17 the super storm. In the year since only two have
18 not recovered. Loans did prove very challenging for
19 many of our businesses and the vast majority did
20 not choose to incur additional debt.

21 CHAIRPERSON REYNA: I'm sorry Alexandra
22 how many businesses were there?

23 ALEXANDRA SENECA: There were 15
24 businesses and art spaces.

25

1
2 CHAIRPERSON REYNA: And two did not
3 recover?

4 ALEXANDRA SENECA: And two did not
5 recover. So many did not have the cash flow to
6 qualify for loans or did not pursue additional
7 debt. However for a few these distance programs did
8 prove instrumental particularly a bakery called
9 amandine which through a combination of the SBS
10 programs, SBA funds, as well as a major cash
11 infusion from their landlord was able to recover
12 from more than 300 thousand dollars' worth of
13 damage. That, one of the, one of the reasons that
14 Dumbo has been so resilient has been our landlords'
15 generosity. And I want to just emphasize that
16 rent deferrals as well as cash infusions made all
17 the world of the difference for keeping our
18 businesses open. Particularly Two Trees Management
19 Company stepped up in a very very big way. We also
20 had a lot of generous community members. The BID
21 raised more than 60 thousand dollars for our small
22 businesses which were distributed as direct grants.
23 And my team played a vital role in this post storm
24 communications giving daily updates using social
25 media and helping to organize volunteers for

1 cleanup efforts, chasing down utilities to pay
2 attention to our needs. We're very proud of the
3 role that the bid was able to play in the months
4 following the storm. And I think it's a testament
5 to the business improvement district model to have
6 a local body in place that can facilitate attention
7 and information sharing in times of crisis continue
8 to be incredibly impressed with communities that
9 did not have a business improvement district that
10 were able to organize. However we had a leg up. I
11 feel very strongly that we had a leg up because we
12 had that infrastructure in place and I think this
13 should be a, a reason to support the proliferation
14 of BIDs moving forward. From our Doe Fund hoping to
15 arrive at 8 a.m. in the morning to clean up we were
16 lucky to mobilize our network and services
17 accordingly. Small business services and as well I
18 want to say that the help of the 84th precinct at
19 NYPD was instrumental to the recovery as well as
20 our elected officials from Marty's staff to council
21 member Levin. Senator Dan Squadron and Assembly
22 woman Millman. Also great funding, fundraising
23 efforts by the Brooklyn Chamber who had a very
24 hands-on approach as well as the Workforce Center
25

1 coming down into the community. So I want to
2 applaud their efforts as well. So many of Dumbo's
3 retailers and arts organizations washed out by
4 Sandy took extraordinary measures to get their
5 doors back open. Galapagos Art Space opened with
6 half of their electrical equipment down. So they
7 were a theater without sound equipment and just
8 went acoustic. The, the importance of getting cash
9 flow immediately back into these companies we were
10 able to help them figure out ways to, to open
11 quickly and that proved to be incredibly helpful.
12 Of those two businesses that did go out one has
13 been replaced so Governor Dumbo was replaced with
14 Atrium Dumbo which opened last month. And the Water
15 Street Bar and Grill we believe will be opening as
16 a new restaurant soon. So the spaces remain viable.
17 Those businesses just could not take on the
18 additional debt to get their, their doors back
19 open. Dumbo also suffered about a dozen apartments
20 being washed out. And the last of our residents
21 will be moving back in next month. So that's a
22 great update. Brooklyn Bridge Park as well has in
23 the last two months finally reopened every piece
24 and replaced all of their plantings. So the
25

1 neighborhood has recovered. It was an uphill
2 challenge and we are very very happy that we had
3 the resources in place to provide services as well
4 as the generous landlords who really kind of had a
5 vision for keeping the neighborhood healthy and
6 coming back. Thank you.

8 WELLINGTON CHEN: Thank you. Good
9 afternoon honorable city council members of the
10 Committee on Small Businesses, honorable council
11 member Chin, and a special congrats to the chair
12 Diana Reyna. You deserve a special day, special for
13 today and tomorrow and I'm honored to be here. My
14 name's Wellington Chen as well you know. I'm the
15 Executive Director of the Chinatown Partnership at
16 the Chinatown Business Improvement District and I
17 have to echo what Alexandra just said. The
18 Chinatown Partnership together with the BID played
19 a vital role and just take a look at herself she
20 put example. The Chinatown Partnership was launched
21 in 2006 with the support of September 11th fund on
22 D.C. The great worker of the New York City
23 Department of Small Business Service to bring
24 residents and business owners and community groups
25 together to help revitalize Chinatown following

1 9/11. The Chinatown Business Improvement District
2 was officially recognized by the city last year.
3 Just slightly before super storm Sandy thanks to
4 the city council members here like Diana Reyna and
5 especially to council member Margaret Chin who
6 represents our community. It was created to foster
7 economic development in Chinatown while improving
8 the quality of life and ensuring the vitality of
9 New York's most diverse one and New York's most
10 diverse dynamic historic districts. Like so many
11 other neighborhoods hard hit by Sandy businesses
12 and buildings in Chinatown lost power, heat, and
13 services for weeks and even months following the
14 storm. Super storm Sandy and the great recession
15 the preceded it exacerbated the challenges to
16 Chinatown's fragile economy and further expose our
17 neighborhood's vulnerabilities. Though the average
18 poverty rate in southern Manhattan is consistent
19 with the citywide average of 19 percent, in
20 Chinatown the poverty rate is more than double that
21 at above 40 percent. Dis, disadvantage limits our
22 neighborhood's ability to adequately prepare and
23 for resilience, and resiliency to recover from
24 disasters causing long term economic ripple effects
25

1 throughout the community. The Chinatown Partnership
2 and the Chinatown BID mobilized our staff, brought
3 members volunteers to prepare for Sandy and deliver
4 immediate relief after the, the impact distributing
5 water, food, supplies to residents workers in the,
6 in the community. For five months our officers as a
7 US Small Business Service Administration Business
8 Recovery Center as well as New York state's super
9 storm Sandy Relief Center housing many agencies as
10 been mentioned before collocated, the collocation
11 was very very helpful. Helping not only Chinatown
12 Small businesses to apply for disasters business
13 loans but also serve as information help and
14 assistance center for business owners or from over
15 the city, from over the city. Such as the far
16 Rockaways, Coney Island, Bay Ridge, and the metro
17 area including the Hudson Valley and Long Island,
18 New Jersey, and as far away as Connecticut. Many
19 came regularly all over the region to Chinatown to
20 our offices because as been mentioned before
21 because of their limited language English abilities
22 and the need for information and to have their
23 questions answered in Chinese. And I just want to
24 add the, the, the CSI not only, is only on the high
25

1
2 ground it's also on a very very high resource
3 capacity. The, the President is a specialist in
4 this area of the geologist and I'm, we are very
5 very pleased with that. We have had thousands of
6 small business owners pass through our office and
7 the message we hear over and over again is the need
8 for immediate relief following disasters, immediate
9 assistance to help make payroll, rent, and
10 purchases to get back to business for on long
11 periods of shutdowns and interruptions. While many
12 were thankful, thankfully receive assistance in a
13 timely manner sadly we know of many that did not.
14 Perhaps the most humbling experience in the last
15 year is seeing the Chinatown community come
16 together to help just as we have in the previous
17 disasters where there's enough community or an
18 earthquake, hurricane, or typhoon is other state or
19 other part of the world. Despite the challenges
20 experienced by everyone the Chinatown Partnership
21 and Chinatown BID led by our community leaders
22 including councilman, councilmember Margaret Chin
23 here helped to raise over 83 thousand dollars
24 within a very short period of time and immediately
25 distributed all the funds to help our community

1
2 businesses to recover. Over 80, almost 80 much as
3 immediately received that, that grant. The amount
4 of funds speak not only to our community's
5 generosity but also to the extent of devastating
6 impact the community suffer. Many gave including
7 many who did not have much to give because they saw
8 and know how much our neighborhood and small
9 businesses lost. Thank you again for this committee
10 and a special thank you to council member Margaret
11 Chin for helping Chinatown and other vulnerable
12 neighborhoods to recover from Sandy. And we'd
13 recognize that the mission is not yet accomplished.
14 Thank you very much.

15 MONICA BYRNE: Hi. I'm Monica Byrne I'm
16 here from Red Hook. I am a small business owner and
17 I am also one of the co-founders of Restore Red
18 Hook. And I thank you very much for having us here
19 today.

20 CHAIRPERSON REYNA: Monica I'm sorry. I
21 just wanted to ask you do you have a testimony that
22 you have to give us.

23 MONICA BYRNE: Unfortunately I do not
24 and I apologize for that.

25

2 CHAIRPERSON REYNA: No, no, no, not at
3 all. And...

4 MONICA BYRNE: As a volunteer our time
5 is crazy right now.

6 [laughter]

7 CHAIRPERSON REYNA: I certainly
8 understand. And if you'd like to make that
9 available... [interpose]

10 MONICA BYRNE: I... [interpose]

11 CHAIRPERSON REYNA: ...in written form...
12 [interpose]

13 MONICA BYRNE: I absolutely will.

14 CHAIRPERSON REYNA: ...I, we would accept
15 it. Thank you.

16 MONICA BYRNE: So quickly I'd like to
17 let you know a little bit about Restore Red Hook
18 and what we've produced this year. As a small
19 business owner in Red Hook when, when the storm hit
20 our first thing was to organize all of the
21 businesses and have a meeting. By the end of our
22 first week we had a website live and we had founded
23 our organization. The goal of the organization was
24 very simple. It was to get every single business
25 open again. Towards that end we have been over 90

1 percent effective. All but three businesses and
2 forgive me. Let me clarify. When I speak about our
3 small businesses I'm speaking about our open to the
4 public merchants, retail, small businesses. I'm not
5 speaking about the light industrial and
6 manufacturing sector which has also been hugely
7 impacted in the community. So the numbers I'm
8 speaking about are strictly the, the open to the
9 public retail component. We lost three businesses,
10 two of which were in failing health going into the
11 storm, one of which was a going concern of over 40
12 years and decided to leave the community. Since the
13 storm every other business reopened and three
14 additional businesses have reopened and closed
15 because they weren't able to deal with the debt
16 that they took on as a result of the storm. So
17 we've lost six businesses total which in a small
18 community like Red Hook is impactful but it is also
19 not a horrible statistic. 65 businesses remain open
20 and another about ten businesses that did not need
21 aid continue to do business even though the
22 community basically shut down for six months. We
23 raised over 600 thousand dollars, we raised over
24 600 thousand dollars. We did grants to 65
25

1 businesses most of them averaging about 11 thousand
2 dollars for business. That affected 400 employees
3 in the community, and jobs in the community. And
4 100 percent of every penny that we raised was
5 directly regranted out to the community and all of
6 our efforts were completely volunteer. Similar
7 organizations or other or organizations in the
8 community raise money through nonprofit structures
9 and under 30 percent has been directly regranted
10 out to the community. So one of the first things I
11 want to say is that the paradigm that exists for
12 disaster aid is broken. One of the biggest problems
13 that we have is getting money quickly and
14 efficiently directly to the people affected not to
15 surrounding organizations to create programming
16 with. And there are a lot of very well intentioned
17 lovely organizations. We have a beautiful mural
18 going up commemorating Sandy. There are all kinds
19 of filmmaking things going on and these are
20 terrific. There are a lot of therapeutic processes
21 that are being engaged and which are important. I
22 assert if we were able to get aid directly to
23 businesses and homeowners and renters who were
24 affected by these disasters directly there would be
25

1 a lot less need for follow up of the therapeutic
2 process. I assert that we, that as a business
3 person we are deeply inefficient at getting money
4 to people and that it costs us more to get the
5 money to the people than the people end up getting
6 in the end. I think that not getting money to
7 people fast has cost us much more. I know that in
8 my community if we had been able to get aid
9 directly in there in the first month we could have
10 gotten almost everybody opened right away. The
11 reason it took time is because we just didn't have
12 the money and resources to get the power back on to
13 fix our plumbing, to buy the drywall, to do all the
14 things that we raised the money to do but we could
15 have done it immediately. We would not have had
16 this lag in getting back to business. We would not
17 have had this now culture of Red Hook is closed for
18 business and isn't reopening until fairway comes
19 back and losing eight months of business including
20 the, the Christmas business. So if we had gotten
21 money directly immediately it would have cost less.
22 We would have been back to business faster and we
23 would have produced more. So I think that we really
24 need to look at the paradigm that exists for
25

1 getting money to people who need it. And I'm not
2 saying that we don't need a vetting process and
3 that there doesn't need to be a certain amount of
4 due diligence done but I assert that we are not
5 doing it effectively and we need to empower local
6 organizations that are already existing on the
7 ground whether that is the LDCs, whether that is
8 the BIDs in our case South Brooklyn Industrial
9 Development Corporation or now our organization
10 which, Restore which is going to become a local
11 development corporation. You know empowering the
12 local people on the ground who already know the
13 situation, who already have those relationships and
14 can help you do the due diligence needed so that
15 money is allocated wisely. Towards the, you, you
16 mentioned something about 13 thousand businesses
17 being impacted and that's a number that I have
18 quoted a lot this year and when I listened to the
19 results of the various organizations we've, we've
20 given out 700 loans, we've given out 600 loans. We
21 had 60 businesses successfully complete the tax
22 abatement program. I'm appalled as a business
23 person at those statistics. If I was a business
24 person and those were my results I would be out of
25

1 business. You, you said so I wonder then if we're
2 not tracking these things effectively. Is that 13
3 thousand a real number? And I would like to offer
4 you a corollary relationship in Red Hook. I just
5 pulled a few statistics off my phone while we were
6 talking. Of our six, 65 businesses four got the SBA
7 loan, 12 got the small business service's NYBDC
8 loan and grant, 16 got the New York City five
9 thousand dollar grant, two got the National Grid
10 Grant, and that's it in terms of aid outside of
11 what they received from restore and their own
12 private resources. So when you look at 65
13 businesses and those small loan numbers you can see
14 that it's entirely possible that there are tens of
15 thousands of businesses out there and still having
16 just these small results. The process in accessing
17 loans is very very difficult and very cumbersome.
18 And part of it is that, and I've made some notes on
19 this, is that we need to look at a different
20 criteria when we're thinking about a disaster loan.
21 This is not your regular business loan. The
22 definition of what is a successful business that
23 you want to invest in as a bank is one thing. But
24 the definition of a going concern in a community is
25

1 another thing. So we have in this city thousands
2 and thousands of small mom and pop businesses that
3 are going concerns which is to say they pay their
4 bills, they pay their rent, they pay their
5 employees, and they cover their own personal
6 expenses and they don't have anything else to show
7 after that. So on paper these businesses may not
8 seem to be wildly profitable but they are going
9 concerns. They provide a service to their community
10 and they provide jobs. These businesses matter and
11 more often than not the businesses that don't have
12 huge amount of cash flow are in economically
13 disadvantaged communities. So if you look in the
14 community of Red Hook if we hadn't been able to get
15 our businesses reopened again not only are you
16 impacting those 400 jobs and those 65 business
17 owners but you're impacting this entire community
18 that depends on them for the services that they're
19 providing. And every time you look at something
20 like that you need to really consider those issues
21 when you're considering is this a business that
22 this city or this state wants to reinvest in and
23 keep going. It's not just the paperwork of what is
24 their debt to income ratio what, what, what are the
25

1 normal standards you're looking at in banking. And
2 I'm not saying that we want to be unwise or that we
3 want to give money to places where we're not going
4 to recoup it or that, or that it's going to get
5 lost. But we need to use a different metric to, to
6 assess what makes sense recovering from a disaster
7 because let's remember. These are not businesses
8 who are looking for a loans. These are not
9 businesses who are trying to get you to invest in
10 them. They are fine. They're doing their business
11 and they, they survived the recession and then they
12 got hit by a storm. So now they're just trying to
13 continue and it behooves the communities that they
14 are in to help them continue. So that, that is
15 something that I think is really important. Another
16 clarification when you were talking about outreach.
17 I would like to let you know that as Restore Red
18 Hook we have directly reached out to small business
19 services, emails to Commissioner Walsh on many many
20 occasions and they haven't gotten returned. When
21 SBS has been in Red Hook they've been going to
22 visit our local nonprofits and not meeting with the
23 small businesses in, in the way that we would have
24 liked. And we, we have reached out and asked for
25

1 meeting, asked for information about programming
2 etcetera and, and that hasn't been forthcoming.
3 It's been very challenging. On the other had we
4 were extremely fortunate because we have an amazing
5 congresswoman Nydia Velazquez and she brought Pat
6 MacKrell who is the CEO of NYBDC to Red Hook. Even
7 though he's administering a state program she
8 brought him, introduced him to me, we got everybody
9 involved in the 25K loan and of the people who were
10 approved almost all of us, my own business included
11 we're declined at first. It was because we sat, we
12 met, we talked, we got them to do due diligence and
13 look deeper and see the difference between the
14 corner cash business which maybe isn't paying its
15 taxes and now isn't going to qualify for aid and
16 going concerns in our community who are giving back
17 and investing in the community. And as a result not
18 only did we get loans in the community and we're
19 trying to get people to apply for the second loan
20 now which they're also administering but they also
21 gave us direct grants and went around and gave
22 individual grants to businesses. So that
23 relationship, creating that relationship with the
24 lender so that they actually got to see the
25

1
2 businesses in action and they weren't just numbers
3 on paper in Albany made all the difference in the
4 world for our community. And we need to do more of
5 that. We need to have more on the ground not data
6 entry. SBS had its, had an office to do data entry
7 but every time you had a question about something
8 they then relayed it to NYBDC which thank god
9 relayed back to them which then got relayed back to
10 us. And on occasion people would forget to cut off
11 the email so you actually saw the trail of that and
12 you go gee as a business person this was a waste of
13 time, money, and energy. My time, your time,
14 somebody got paid to do this. We can, we can, we
15 can cut out a lot of these middle processes. We can
16 make this more efficient. We can stream line this
17 and we need to. So that's really what I've come
18 here to tell you today. Thank you very much for
19 listening.

20 CHAIRPERSON REYNA: Thank you Monica.
21 You shed light in every angle and you know the
22 Restore model is one that Red Hook is very lucky to
23 have. And we hope that your success in becoming an
24 LDC just continues to provide the services
25 necessary and most of all the coordination that you

1 clearly have been a victim of not having so that we
2 don't repeat the same mistakes. And, excuse me, as
3 far as inefficiencies or efficiencies I think you
4 know it's important that we all recognize that
5 these comments only create what would be greater
6 efficiencies or the goal to reach greater
7 efficiencies with every agency across the city of
8 New York. You know there, there was a point where
9 the Department of Insurance was not participating
10 with any individual group setting of the small
11 businesses and we insisted in our own community to
12 have it in what would be our partner organization
13 EWVIDCO, the East Williamsburg Valley Industrial
14 Development Corporation. And it was only that one
15 meeting where they were participating because no
16 other organization was asking for them. But it
17 really shed light on some of the insurance issues
18 that were occurring and most people didn't know
19 that they could go to the state, to the Department
20 of Insurance to deal with that. And so these are
21 the types of coordination. You know you learn each
22 experience how to better become efficient. And so
23 your words, your synthesizing of this whole
24 situation, and your recovery and resilience is, is

1
2 one that we want to use as the blueprint so that
3 we're not recreating chaos. Thank you.

4 MONICA BYRNE: Thank you.

5 VICTOR WONG: Good afternoon. My name is
6 Victor Wong and I'm the Director of Business
7 Outreach at the Partnership for New York City. And
8 over the past six months we've been working to
9 develop GoBizNYC, a coalition of small business
10 groups representing 25 thousand small businesses
11 across the five boroughs. That's one in ten of all
12 of our cities' small businesses. Our supporters
13 include prominent, prominent small business
14 leaders, as well as Chambers of Commerce, local
15 development corporations, industry associations,
16 and community based organizations. Many of these
17 groups carried out their own effort to support
18 local businesses in the aftermath of Sandy. For
19 instance our partnership fund provided Asian
20 Americans for Equality and the mayor's fund with
21 over 800 thousand dollars in funding so that they
22 could distribute emergency grants to Lower
23 Manhattan Businesses damaged by the storm. But much
24 more remains to be done. Many businesses continue
25 to struggle and the following are concerned we are

1 hearing from small business owners in hard hit
2 areas of Staten Island, Coney Island, and the
3 Rockaways. The first concern is streamlined access
4 to financial relief. Small business, small
5 businesses needed immediate access to capital in
6 order to operate and rebuild following the storm.
7 Many complained that resources of various programs
8 were not available quickly enough and that they
9 involve substantial paperwork, documentation, and
10 processing time. Some damage for firms were
11 contracted to help with repairs and they complain
12 about failure to pay them in a timely fashion. The
13 second concern is fines. Local law 31 which the
14 council passed in April to waive certain regulatory
15 fees eased the financial burden on small businesses
16 during the rebuilding and reopening process.
17 However small businesses in affected communities
18 have noted that not long after reopening they have
19 been hit with numerous fines for minor non-health
20 violations. Though these business owners certainly
21 don't hold themselves to be above the law they do
22 want to convey that because of their already fine,
23 tenuous financial situation these fines have a
24 heavier impact than usual as they struggle to fully
25

1 recover and get back on their feet. The third
2 concern is a displaced customer base. In Coney
3 Island although the boardwalk has been revitalized
4 and is now bustling of tourists again there has
5 been little spillover to local businesses in the
6 community which are still struggling to attract
7 customers. Many residents who were displaced after,
8 after the storm have permanently relocated so
9 business activity has remained well below pre-storm
10 levels. In Staten Island residents of the, in the
11 most affected areas remain in limbo because they
12 don't know if they will be part of the buyout
13 program. As a result local businesses in these
14 areas are hesitant to reopen because they're not
15 sure if there will be anyone around for them to
16 serve. This is a chicken or eggs problem in that
17 residents depend on the products and services these
18 businesses provide. The city should continue its
19 efforts to help drive demand to these areas through
20 tourism as well as by restoring residential
21 communities to normalcy. The fourth concern is
22 public safety. Some business owners have noticed an
23 uptake in criminal, gang, and illegal activity in
24 their communities and are worried that this will
25

1
2 become the norm. Public safety is an ongoing
3 concern in these most vulnerable communities and
4 the city should continue to devote adequate
5 resources to address this issue. As you know small
6 businesses are the economic engines and anchors of
7 their communities. The city has done tremendous
8 work to support those impacted by the storm and we
9 appreciate the great strides that have already been
10 made and we look forward to collaborating with you
11 to help address many of the challenges that these
12 business owners continue to face. Thank you.

13 CHAIRPERSON REYNA: Thank you very much
14 Mr. Wong. I just wanted to ask you; the minor non-
15 health violations.

16 VICTOR WONG: Yes.

17 CHAIRPERSON REYNA: What agencies were
18 they from?

19 VICTOR WONG: So, so the specific
20 complaint I heard about had to do with businesses
21 out in the Rockaways and they referred to what's
22 called a march in which teams of inspectors from
23 various city agencies from Buildings, Department of
24 Health, DCA, would go to a particular business
25 during really, during the busier hours and just hit

1
2 them with a slew of fines. So this was particularly
3 tough because this happened for those businesses in
4 July which was very very soon after they had
5 reopened.

6 CHAIRPERSON REYNA: And seasonal wise
7 it's the summer in the Rockaways where there's
8 beach.

9 VICTOR WONG: Exactly.

10 CHAIRPERSON REYNA: Thank you very much.
11 I know that SBS is here and we appreciate Calvin
12 staying behind to listen to these concerns and
13 hoping to have this particular comment go back.
14 Because this is part of the regulatory review
15 process that we're trying to once again coordinate
16 agencies to better become efficient. Clearly this
17 is one of the areas where we have to be not just
18 sensitive but completely adequate in seeing that in
19 March, in July post Sandy was although perhaps
20 scheduled months in advance could have been
21 postponed. Thank you whole panel for coming. I just
22 wanted to make sure that we were able to highlight
23 that specific comment on the testimony and we
24 appreciate the recommendations that were set forth.
25 And we will, as aggressive as possible, continue to

2 you know give oversight and work with our sister
3 and brother agencies in the City of New York for
4 the health and resilience of our community within
5 the small business community. Thank you. The next
6 panel and last panel is Omar Busso[phonetic] South
7 Street Seaport, Archana Dittakavi Street Vendor
8 Project, Archana[phonetic] or Arcana[phonetic]?

9 Archana: It's Archana[phonetic]

10 CHAIRPERSON REYNA: Archana[phonetic].

11 Thank you. James Versocki?

12 JAMES VERSOCKI: Versocla[phonetic].

13 CHAIRPERSON REYNA: Versocla[phonetic].

14 JAMES VERSOCKI: Yeah.

15 CHAIRPERSON REYNA: New York State

16 Restaurant Association, and Andrew Breslau the

17 Alliance for Downtown New York.

18 [pause]

19 CHAIRPERSON REYNA: I think your mic is
20 off.

21 Oh there we go.

22 CHAIRPERSON REYNA: There we go.

23 ARCHANA DITTAKAVI: Good afternoon and

24 thank you for having us. I'm Archana Dittakavi

25 Staff Attorney at the Street Vendor Project and

1 we're a membership based project of over 17 hundred
2 New York City Vendors... [mic interference] center
3 for vendor organizing and advocacy across all five
4 boroughs. And we're here today to speak on behalf
5 of street vendors who's businesses were directly
6 impacted by Sandy. Street Vendors are tax paying
7 small businesses that suffered real consequences as
8 a result of the storm and they were unable to
9 access most programs geared toward recovering from
10 Sandy. Some of what I've included here refers to
11 DUA which I realize is not a local program but I
12 think that some of the challenges are relevant and
13 a crossover to, to local programs as well. A major
14 challenge being the constrictions of eligibility
15 for accessing different, different types of aid.
16 Many of our members lack the immigration status or
17 work, work authorization necessary to receive DUA.
18 For example an ITIN which is what our, many of our
19 members use to pay taxes on their earnings was
20 insufficient for them to apply. And furthermore the
21 category of being self-employed posed a lot of
22 challenges. Applications were also automatically
23 denied that were submitted to DUA. We are always
24 being reminded that language access continues to be
25

1 a very real issue and problem. It's the reason why
2 we conclude that a lot of street vendors were
3 ineligible or excluded even though perhaps they
4 might have been able to get some assistance because
5 of this hurdle. The biggest hurdle though and one
6 that Mr. Busso[phonetic] here is going to address
7 is that the fact that just by being a, a vendor in
8 the street as opposed to being inside a brick and
9 mortar business, vendors are still not included I
10 think in, in New York City's idea of, of small
11 businesses. Mr. Busso[phonetic] knows this very
12 well. He's been a street vendor since 2005 and he
13 applied for and was denied various types of
14 assistance simply because he works in the street.
15 And these types of, that, that requirement was
16 never clearly outlined in the applications that, in
17 the, in the programs that Mr. Busso[phonetic]
18 pursued. So I appreciate the opportunity for him to
19 tell his story so that we can you know continue to
20 include or strive to include street vendors as
21 small businesses in New York City. Thank you.

22
23 OMAR BUSSO: Hi how are you? Thank you
24 for having me here. I'm a New Yorker because I've
25 been 25 years of my life in New York City and I'm

1 proud to be a New Yorker. I'm a street vendor
2 unfortunately because I lost my jobs I think 2005
3 because of well participation per case. So I'm a
4 street vendor with a license. I'm paying a fee for
5 that license to be on the side, on the side of a
6 street. So it is a legitimate business. And I have
7 business certificate from the New York State. If
8 required I do pay state and city taxes like every
9 other business. The same amount of big businesses.
10 I've been hit hardly by hurricane Sandy because I'm
11 in South Street Seaport underneath of the FDR. So
12 on October 22nd just a few days prior Sandy I was
13 assaulted being in the hospital for seven days,
14 came out, there was hurricane Sandy. I have
15 allocated most of my stuff because I'm a Maritime
16 Ministries South Street Seaport where I'm paying my
17 rent over done eight years now. And I left
18 something out that was gone because of hurricane
19 Sandy. No work, no light in this area, no toilet,
20 no visitors and we were, were closed almost for
21 three weeks. First having fine on South program, I,
22 I applied for a grant with money of the Chambers of
23 Commerce, 500 dollars that I don't receive. There,
24 there was a grant offered by Downtown Alliance for
25

1
2 20 thousand dollars for every business less than
3 100 percent. One, 100 employees I look at from I
4 qualify to have that grant. I applied. They told me
5 I'm in the street. I don't have lease so I think my
6 license that I'm paying with the City of New York
7 giving me the right to have my business in the
8 street is a lease because I don't have the license
9 I'm not going to open a debt. I'm agreeing to be
10 debt I can't. I'm paying my taxes like every other
11 business so is it any fair to me to the SBS. I
12 applied for a loan with NYBDC because even that I
13 don't like to get into a loan I have to. With five
14 kids, having to pay my rent, having to pay storage,
15 having to sit by with a business. I have to apply
16 for a loan. I deals with NYBDC. I have a loan and
17 there was a matching grant of the loan. I have a
18 loan of 7,000 dollars, a matching grant of 7,000
19 dollars with NYBDC. Then there was this kind of
20 rent offered by I don't know if it is NYBAC anyway
21 it is from the small business solution of New York
22 City. I applied for it. From the paper it is
23 nothing saying it's for buildings or mortars.
24 Eligibility is having a business in New York City.
25 I did everything. I applied. They send me email

1 saying they received my application. They have
2 determined this attention and then I answer the
3 email that I received from them, told them I have a
4 loan and a grant from NYBDC can I qualify for this
5 grant of 5,000 dollars? And then two months later
6 they send me email because on the application if
7 you are approved then they ask you the bills to get
8 the grant. They send me approval by phone and by
9 email telling me send us your receipt. It cannot
10 receipt what I lost; like heat transfer, like
11 tables, like racks. I sent them the bill, my bill,
12 I sent them the receipt. They told me it has to be
13 5,000 dollars. I sent them 3,900 something dollars
14 because there was a receipt that I lost that I
15 can't get. And the lady called me said it has to be
16 payment with credit card or I have an authorized
17 letter, authorization letter from where I buy this
18 items. So I went back to where I buy this items. So
19 many is not going to close their store to go to and
20 authorize a letter for me. No way! I can't have him
21 to do that. There is not that I buy things. There
22 is an enough right down there when I come back
23 something like five month later the operator is
24 telling me. Okay. I can't remember you. So when I
25

1
2 called them later on they said okay we deny you
3 because you are not in the buildings. This program
4 is for mortar and buildings. But I can't
5 understand. And we are street vendor, we are part
6 of the city, we are voting for the council, we are
7 voting for the president, we are citizen of United
8 State maybe like have, we have a destiny to be in
9 the street as a vendor but we do a lot down there.
10 Like no other vendor, now being bounded with two
11 grant with this law. South Street Seaport from
12 Midland you know what we call, what they call it's
13 the side, it's the river, its planet. We used to
14 work down there because there is no place to be.
15 Now they're telling us okay it's for Park
16 Department. You need a park permit in order to work
17 there. So how we can have a city license with just
18 a park, with is a city department agency and tell
19 us in order to work under FDR from John to
20 Riddit[phonetic] on East River you have to get a
21 park license where we used to work. Meaning that
22 there is no street open for us to work. In each
23 block you have at least 60 vendor. We need really
24 help from the city council and to think of us as
25 human being and people who live in New York even

1
2 that we have we are a street vendor it's a
3 business. Thank you. Thank you.

4 JAMES VERSOCKI: Good afternoon. It's a
5 long day for everyone. It's my second hearing of
6 the day so nice to see you. Thank you for having us
7 Council woman Reyna and council woman Chin nice to
8 see you. My name is James Versocki. I'm here as a
9 council to the New York State Restaurant
10 Association which services about 5,000 restaurants
11 in New York City and 10 thousand statewide. So our
12 membership was impacted by the storm not only in
13 the city but by our chapter on Long Island and in
14 the Hudson Valley as well. I'd prepared written
15 testimony in our support of Intro 1191 for you.
16 Very briefly I just wanted to say that the
17 Restaurant Association has, has for the last year
18 has advocated greatly against city actions that
19 were fining small businesses. We worked with mayor-
20 elect de Blasio's office, his public advocate, to
21 get the data from the city about the high level of
22 fines that were being levied against the small
23 businesses in the city particularly with the
24 implementation of letter grade system. And as his
25 study has shown that largely impacted the outer

1
2 boroughs which are largely often run by immigrant
3 and minority businesses. So we are pleased to see
4 that there has been action taken on that. And we do
5 believe that Intro 1191 will further help
6 communities of immigrants that do not necessarily
7 understand the convoluted arcane regulations of
8 many city agencies. We've all worked hard the last
9 few years to try to correct those. We believe that
10 educating business owners to help them comply with
11 the law is the way to do that. And I will rest on
12 that. I would like to take the opportunity. We had
13 actually prepared to come down I guess when this
14 hearing was originally scheduled last week and I
15 didn't have the testimony for today on the super
16 storm Sandy follow up. Could I, could I submit to
17 the committee afterwards on that? Thank you
18 councilwoman Reyna. One of the greatest things, we
19 all experienced different things as, as membership
20 organizations. What I wanted to highlight for the
21 committee is our membership was incredibly impacted
22 by the denials of their insurance claims. And I
23 think for those, everyone South of 34th Street and
24 the outer boroughs, one of the things that super
25 storm Sandy taught everyone and you probably know

1 this from your constituents is that people don't
2 understand what their insurance is and there was a
3 huge amount of denials of insurance to, on all
4 levels from small mom and pops all the way up to
5 large chains. And we had to end up working with
6 the, the state Department of Financial Services and
7 thankfully the governor did institute the mandatory
8 mediation service that we encouraged our
9 memberships to take advantage of. And that is
10 really... We think if there's education that can come
11 out of the super storm Sandy it's how to get
12 businesses proper insurance and to help train small
13 businesses on what insurance coverage they need so
14 that they don't through this. And of course
15 although this would probably be on a state level
16 legislation to stop the really callous, irrational
17 denials that our members faced and all small
18 businesses faced is incredibly important. And the
19 other issue that came up is businesses had an
20 incredibly hard time getting disaster unemployment
21 insurance benefits for their employees. Restaurants
22 like most businesses but particularly with some
23 specialized restaurants who need your staff and
24 they need to pay their bills. We had people putting
25

1 employees you know from living the Bronx in cars to
2 get them down to their restaurant so that they
3 could work because their sous chefs and they didn't
4 want to lose these employees. We had members who
5 actually paid weeks of benefits and wages to
6 employees because they couldn't get unemployment
7 insurance disaster, unemployment insurance. So
8 those are some of the larger takeaways. We
9 particularly have worked with the city to help do
10 some long term planning after the storm in terms of
11 protecting the food security of the city to make
12 sure people can be fed. We all eat out way too much
13 and we need to make sure that there's food that can
14 come into the city and then God forbid the next
15 storm. That being said I did want you to know we've
16 coordinated with the Red Cross to try to make sure
17 that restaurants can feed the population when
18 they're problems. We've worked to coordinate with
19 them to make sure that they can do outreach to the
20 restaurant association and its members to be able
21 to provide either free or low cost meals to people
22 that are impacted. And I, I did want to highlight
23 the need to have a lot more outreach to impacted
24 businesses through associations such as ourselves.
25

1 We're the ones who our members come to first. I
2 don't think, I will say this bluntly and we're here
3 to criticize many agencies didn't reach out to the
4 associations the way they should have. We, we know
5 our members. We can get to them and we, there was
6 no set way for the city agencies to reach out to
7 us. And we'd like to be able to do that because I
8 think you heard that particularly from Linda and
9 some of the Staten Island chamber people. They
10 didn't have the communication but they... So that
11 you're walking the streets trying to get
12 information out to your members and we, we need to
13 have a, a system in place to take away from that.
14 So when it hits next time we know how to implement
15 immediately. And finally I'm sure you're aware the
16 March raids that were discussed earlier. I mean
17 those were generally coor... I don't think they were
18 specifically related to any agency. March raids
19 generally come out of community board complaints.
20 And I'm not sure if you're aware they are, these
21 task forces of agencies that will come in and sweep
22 largely restaurants or bars because they're
23 receiving community complaints about noise. Highly
24 obtrusive you know NYPD officers come in along with
25

1 every other agency and stand in the restaurant
2 during the middle of service. So I just want to
3 highlight that because I know the partnership
4 representative raised that. Trying to find out who
5 actually calls in a March raid I wish you luck and
6 would love your help on that because they are very
7 difficult to have anybody admit that they actually
8 happen but they do. So thank you so much for your
9 time.
10

11 ANDREW BRESLAU: Thank you. Good
12 afternoon. I'm Andrew Breslau, Senior Vice
13 President with the Alliance for Downtown New York.
14 Thank you Chair Reyna and our council member
15 Margaret Chin for allowing us to speak here today.
16 Lower Manhattan is the country's fourth largest
17 business district and we're home to over a thousand
18 small businesses. 55 weeks ago now Sandy hit and it
19 hit small businesses in Lower Manhattan with
20 significant damage. Particularly in those areas of
21 our one square mile near the water's edge; along
22 Water Street, at the Battery, and on the Western
23 Edge of Greenwich South. Almost all of our district
24 retailers were closed for a week and experienced
25 some ongoing disruptions to business caused by loss

1 of power, telecommunications disruptions and
2 diminished sales due to reduced foot traffic. Food
3 and beverage establishments were particularly hard
4 hit by inventory loss. We estimate that a third of
5 Lower Manhattan's businesses were closed for more
6 than a week. Largely in those areas defined by the
7 water's edge. All this occurred, as others have
8 said, in the weeks leading up to the crucial
9 holiday season thus having an outsized impact on
10 all these firms' yearly revenues. In the aftermath
11 of the storm like so many who testified here
12 earlier. We listen closely to small business to
13 what they were saying and we launched our own
14 response of scalable business support program.
15 Small business told us and again you've heard this
16 all day today that there was a gap between the kind
17 of resources available and need. Loans were quickly
18 made available but were often the not, not the
19 right tool. Either they required personal
20 collateral; the rates offered were not dramatically
21 different than what the commercial market might
22 offer, or the take, a representor taking on more
23 debt in that in such a climate was either unwise or
24 impossible. We heard them and create our own loan
25

1 program, grant program rather called Back To
2 Business this 1.6 million dollar grant program was
3 supportive from our own reserve and from
4 contributions from a number of Lower Manhattan
5 leading financial legal and real estate companies.
6 With our grant program we assisted retailers,
7 restaurants, and certain not for profits in areas
8 below Chamber Street in Zone A offering non-
9 recoverable grants up to 20 thousand dollars on a
10 first come first served basis. Just two small
11 businesses meeting clearly defined guide lines. We
12 provided 105 grants to Lower Manhattan small
13 businesses in amount again totaling 1.6 million
14 dollars. Of the 20 small businesses who grants were
15 deferred pending reopening 13 have reopened and
16 received the grants. The remaining 7 have to the
17 years end to reopen and receive their grants.
18 Demand for this program as you can imagine far
19 outstrips supply. In addition to our grant program
20 in the immediate aftermath of the storm we
21 distributed information on public and private
22 resources to small business via our website, social
23 media resources, and through foot canvases of the
24 neighborhood. We aggressively advocated on behalf
25

1 of small businesses to utilities and to government
2 agencies in order to expedite solutions and
3 conducted an ongoing public relations campaign to
4 tie up business openings as they rolled out and
5 remind the public that the area was indeed open for
6 business. One literally small intervention that had
7 an outsize impact was the distribution of 400
8 square mobile card readers to those businesses who
9 lost telecom during the storm to enable them to
10 begin financial transactions again as swiftly as
11 possible. We are proud of what we were able to
12 accomplish but only wish we could have done much
13 more. As we appear today there is some good news to
14 share. One year after Sandy the impact on the
15 retail market has largely been contained and
16 retailer confidence is returning to be robust.
17 Recent openings and news of new leases indicate
18 abundance of store services and dining are coming
19 to the district. While 30 percent of Lower
20 Manhattan's shops restaurants and store front
21 services were closed for more than a week after the
22 storm more than 90 percent of these retailers had
23 reopened by February of this year and today just 66
24 remain closed, many of those spaces have been
25

1 occupied by new tenants or will be soon. Today
2 Lower Manhattan has a total of 1,027 retailers.
3 I'll edit my comments. There is speaks of the
4 future of the district and, and just conclude by
5 saying that Sandy clearly knocked all of us on our
6 heels. There's challenging work to continue to be
7 done to better prepare ourselves for the next great
8 challenge and to better serve the small business
9 community on a daily basis. We look forward to
10 partnering with the council, a council member in
11 particular. And while we don't, we're loathed to
12 intervearing[phonetic], intervene and council
13 business like, like the second, the chairs
14 recommendation that council member Chin succeed her
15 and on behalf of the, the 1,000 plus small business
16 owners in our district we thank you and we look
17 forward to working with you to ensure the climate
18 for small business in our district is hospitable
19 and profitable. Thank you.

21 COUNCIL MEMBER CHIN: Thank you. Thank
22 you for coming to testify. Thank you to downtown
23 alliance for the great work you guys do. You know
24 not just with the grant program but really helping
25 you know a lot of the small businesses and they

1
2 took a while to get back. I mean Water Street was a
3 ghost town for months. And I think that also hurt a
4 lot of the small businesses and not just in Lower
5 Manhattan but in Chinatown in the lower east side
6 and people was like wondering where, how come, you
7 know where are the customers. Well most of those
8 big buildings down in lower Manhattan were out so
9 the customers you know weren't around. So I, I, I
10 want to address Mr. Busso[phonetic]. Yes. And I
11 think that we should talk with, we'll talk with
12 Department of Small Business Services to see how we
13 can really access some program to help street
14 vendors especially you got a loan right?

15 OMAR BUSSO: Yeah.

16 COUNCIL MEMBER CHIN: If you were able
17 to get a loan then you need, you should be able to
18 qualify for a grant.

19 OMAR BUSSO: Yeah I have a grant from
20 NYBDC there was a matching grant. But there was a
21 grant that... [interpose]

22 COUNCIL MEMBER CHIN: Mr. Breslau speak
23 into the mic.

24 OMAR BUSSO: Oh okay I'm sorry.

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COMMITTEE ON SMALL BUSINESS

COUNCIL MEMBER CHIN: Mm-hmm no quite
alright.

OMAR BUSSO: I say that I have a loan
from NYBDC and... [interpose]

COUNCIL MEMBER CHIN: What's, what's
NYBDC? The New York... [interpose]

OMAR BUSSO: The New York Business
Development Corporation.

[crosstalk]

COUNCIL MEMBER CHIN: Okay.

OMAR BUSSO: Yeah, and then a matching
grant from them. And there was a loan offered by
SBS by LOIBAC something like that. But when I look
at the eligibility I'd qualified and upright they
said you have been approved. So whole problem is
when I bring my bills and my receipt they said I'm
interested I'm a street vendor I don't qualify. And
they never, never specified on the application that
you need to be in the building and I have a
license.

COUNCIL MEMBER CHIN: Mm-hmm.

OMAR BUSSO: That's my business.

1
2 COUNCIL MEMBER CHIN: Well I think on
3 one hand maybe we should see how we could help you
4 appeal that.

5 OMAR BUSSO: Okay.

6 COUNCIL MEMBER CHIN: And the other
7 thing that today's testimony from EDC with the CDBG
8 funds there are going to be you know other money or
9 grant money available for people who have actually
10 apply for loans through other programs. So we will
11 definitely you know if you give us your contact
12 information or keep you informed. Maybe there are
13 other programs that could be available to street
14 vendors. And I remember after 9/11 that there were
15 street vendors who were down here in Lower
16 Manhattan that was able to get some assistance from
17 some of the community group that were doing loan
18 programs and grant programs. So maybe we should
19 follow and see how we can really assist the, the,
20 the vendor, small vendors that has been you know
21 working down here and who were affected by the
22 super storm Sandy.

23 OMAR BUSSO: Thank you.

24 COUNCIL MEMBER CHIN: Okay. Thank you.
25

1
2 CHAIRPERSON REYNA: Thank you so much
3 council member Chin. I know you represent the Lower
4 Manhattan and we were invited by council member
5 Chin to tour what would be the South Street Seaport
6 area, Lower Manhattan area because we wanted to see
7 as far as this committee is concerned with SBS
8 trying to understand the damage, understand the
9 recovery efforts and understand how to move forward
10 to coordinate a lot of this. The downtown alliance
11 played a critical role in this effort and just to
12 understand exactly the 1.6 million that was back to
13 business program was an emergency grant program
14 that was fundraised?

15 ANDREW BRESLAU: One million of it came
16 from our reserves, the organization's reserves and...
17 [interpose]

18 CHAIRPERSON REYNA: Mm-hmm.

19 ANDREW BRESLAU: ...six, approximately 600
20 thousand dollars was raised fundraising
21 institutions in Lower Manhattan.

22 CHAIRPERSON REYNA: And as far as the
23 reserves are concerned. Is it only for members of
24 the alliance? The downtown alliance?

1
2 ANDREW BRESLAU: The, the reserve is a
3 guarantor of our ongoing operating funds and in
4 this case we thought the circumstances dictate that
5 we use a portion of that reserve to meet
6 extraordinary need out in the district.

7 CHAIRPERSON REYNA: Sure. And as far as
8 the application process for this emergency grant
9 program for back to business the, in the case of
10 what would be Mr. Busso[phonetic] and having
11 applied to the, the downtown alliance, was there
12 any reason why a vendor would not have been part of
13 the Seaport community under which the downtown
14 alliance oversees what would be economic
15 development?

16 ANDREW BRESLAU: One, one point of
17 clarity. Because of the outside impact on the
18 Seaport we included the Seaport in our grant
19 program. They're actually not technically within
20 the borders of the BID.

21 CHAIRPERSON REYNA: So it is based on
22 what would be your membership according to
23 boarders?

24 ANDREW BRESLAU: That would, we made a
25 decision that in, in this particular case that we

1
2 would extend the grant program's availability to
3 people in the Seaport area because there was an
4 outsized impact.

5 CHAIRPERSON REYNA: Right.

6 ANDREW BRESLAU: For marking purposes
7 and tourism and other reasons we talk about the
8 Seaport in our business.

9 CHAIRPERSON REYNA: Sure.

10 ANDREW BRESLAU: But because much of the
11 land there is EDC owned and leased now to the
12 Howard Hughes Corporation... [interpose]

13 CHAIRPERSON REYNA: Mm-hmm.

14 ANDREW BRESLAU: ...the strict legal
15 boundaries of the BID do a dance around the
16 Seaport.

17 CHAIRPERSON REYNA: Right. But you just
18 referred to the fact that you had made a decision
19 as far as the downtown alliance to be able to
20 include the Seaport outside of your boundary right?

21 ANDREW BRESLAU: Yes.

22 CHAIRPERSON REYNA: So in essence Mr.
23 Busso's application... [interpose]

24 ANDREW BRESLAU: We, we had quite, as I
25 said, it was, there was criteria published about...

1 We had a limited amount of money and, and time was
2 important.
3

4 CHAIRPERSON REYNA: Absolutely.

5 ANDREW BRESLAU: And we set criteria...
6 [interpose]

7 CHAIRPERSON REYNA: Mm-hmm.

8 ANDREW BRESLAU: ...including that
9 criteria was being a lease holder. We can have a
10 discussion about the merits of that decision...

11 [interpose]

12 CHAIRPERSON REYNA: Mm-hmm.

13 ANDREW BRESLAU: ...but that was a
14 decision about how to administer the grant and
15 deliver money as quickly as possible... [interpose]

16 CHAIRPERSON REYNA: Sure.

17 ANDREW BRESLAU: ...to businesses that we
18 could transact effectively and swiftly with.

19 CHAIRPERSON REYNA: Right and this is,
20 this is an amazing opportunity just to see that you
21 know the vendors as part of the fabric of the city
22 of New York and the small business community. It
23 has a unique character and gets lost in the shuffle
24 as far as triaging for emergency circumstances. And
25 so I just wanted to understand whether or not the

1
2 criteria excluded what would be street vendors even
3 though... So it went, it was already included that it
4 would exclude vendors?

5 ANDREW BRESLAU: Well it, it, it
6 required lease holding.

7 [crosstalk]

8 CHAIRPERSON REYNA: ...the criteria?

9 [crosstalk]

10 ANDREW BRESLAU: Which de facto... Yeah.
11 Which de facto does.

12 CHAIRPERSON REYNA: It, lease holders so
13 that a lease holder, a lease would not be
14 considered a permit?

15 ANDREW BRESLAU: No.

16 CHAIRPERSON REYNA: From the City of New
17 York, a licensee.

18 ANDREW BRESLAU: No, it's not.

19 COUNCIL MEMBER CHIN: Yeah I, I think
20 well council member Reyna, Chair Reyna, I think
21 what a lot of these programs the focus was on the
22 retail business or the restaurant business. And I
23 don't think that the city even as a whole really
24 thought about small... [interpose]

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COMMITTEE ON SMALL BUSINESS

CHAIRPERSON REYNA: Oh I, I'm...

[interpose]

COUNCIL MEMBER CHIN: ...street vendors
that...[interpose]

CHAIRPERSON REYNA: concluding that from
the line... [interpose]

COUNCIL MEMBER CHIN: Yeah.

CHAIRPERSON REYNA: ...of questioning. I
don't know... [interpose]

COUNCIL MEMBER CHIN: And I think that...
[interpose]

CHAIRPERSON REYNA: ...conclude it myself.

COUNCIL MEMBER CHIN: ...I mean I think
park of the advocacy... [interpose]

CHAIRPERSON REYNA: Mm-hmm.

COUNCIL MEMBER CHIN: ..you know with the
street vendor project. It's really, really billed
on what happened at you know with, with super storm
Sandy and so that next, next time that we will make
sure that vendors you know are included and also
what kind of documentation to prove that you vend
on that site. And I, I do remember you know after
9/11 and this is after all the grants started. It
was later on that some vendors who were vending

1 down in Lower Manhattan was able to get help. But
2 it really took a lot of effort in terms of
3 documenting that you have been doing business in
4 this specific you know street corner. And, and so I
5 think that we really need to start looking at this
6 issue and discussing it and to make sure that it's
7 included in the city's you know recovery and
8 business support you know plan down the road.

10 CHAIRPERSON REYNA: I appreciate your
11 comments and, and the history behind what would be
12 post 9/11 which is you know another experience of
13 lessons learned right. And this is the first time
14 that a street vendor participates in hurricane
15 Sandy discussions since I've been chairing
16 oversight hearings on hurricane Sandy. So we
17 appreciate what you bring forward as, as part of
18 this discussion. I think it deserves a valid,
19 deeper conversation as to how we can address at
20 this moment in time with what would be the
21 additional funding that has come to the City of New
22 York for the CDBG. And I just wanted to make sure
23 that we understood you know the criteria because
24 obviously the reserves I'd imagine were associated
25 to what would be a specific, a geographical area

1
2 and I was trying to understand the exclusion or
3 inclusion of what would be a business. And you know
4 you have a lot of trucks in the downtown area. Was
5 a truck considered a lease? And I'm not too sure if
6 that was part of...

7 ANDREW BRESLAU: No, I mean I, I think
8 that the criteria we established really was...
9 [crosstalk] [interpose]

10 CHAIRPERSON REYNA: The food trucks to
11 be... [interpose]

12 ANDREW BRESLAU: Was, it was, it was...
13 [interpose]

14 CHAIRPERSON REYNA: ...specific.

15 ANDREW BRESLAU: ...about brick and mortar
16 and I think... [interpose]

17 CHAIRPERSON REYNA: Right.

18 ANDREW BRESLAU: ...there's an important
19 conversation to have about governmental
20 intervention versus a BID intervention. As you're
21 well aware our money flows from an assessment on
22 commercial property owners and therefore there's a,
23 a logical pass through to the confines of our
24 responsibilities and constituencies.

25 CHAIRPERSON REYNA: Mm-hmm.

1
2 ANDREW BRESLAU: The CDBG money, other
3 broader funding streams may have more natural
4 elasticity to them and look forward to hearing more
5 about this conversation.

6 [laughter]

7 CHAIRPERSON REYNA: Absolutely I
8 appreciate it.

9 I'm sorry and if I just may.

10 CHAIRPERSON REYNA: Of course.

11 I, I think what, what you bring sort of
12 speaks to, to a real honest analysis of the
13 relationship between brick and mortar businesses
14 and vendors and what that, what that really looks
15 like and what the nature of that relationship truly
16 is.

17 CHAIRPERSON REYNA: I appreciate it.
18 Thank you very much. And I'd like to just once
19 again thank our policy analyst and our council to
20 this committee Jeffrey and Peter. I'm sorry Peter I
21 had a senior moment there. I just wanted to just
22 thank them and their assistance in shaping this
23 hearing. This hearing is adjourned.

24 [gavel]

C E R T I F I C A T E

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



Date _____ December 09, 2013_____