

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS & COMMITTEE ON ECONOMIC
DEVELOPMENT

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B E F O R E: Daniel R. Garodnick
Chairperson

Robert E. Cornegy, Jr.
Chairperson

COUNCIL MEMBERS:

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

Rachel Von Tosh
Deputy Commissioner NYC SBS

Maria Osorio
Assistant Deputy Commissioner SBS

Johnathan Bowles
Center for Urban Future

Judith Messina
Center for Urban Future

Bertha Lewis
Black Institute

Veronica Harris
Brooklyn Chamber of Commerce

Bomi Kim
EDC

2 CHAIRPERSON GARODNICK: Good afternoon,
3 everybody, and welcome to a joint hearing between two
4 committees, the Committee on Economic Development and
5 the Committee on Small Business. Today we are
6 examining opportunities for women entrepreneurs in
7 New York. My name is Dan Garodnick. I have the
8 privilege of chairing the Economic Development
9 Committee, and I'm joined by the Chair of the Small
10 Business Committee, Robert Cornegy. We are also
11 joined by fellow Council Members, Council Member
12 Vallone from Queens, Council Member Borelli from
13 Staten Island, Council Member Menchaca and Cornegy
14 from Brooklyn. We're delighted to have everyone
15 here. We're also pleased to hear today from the
16 Department of Small Business Services, and we will
17 also will look forward to hearing from the Center for
18 an Urban Future who has put forth a study on this
19 issue, and through that study significantly increased
20 the information that is available to the public on
21 this topic. I also want to note on a personal level
22 that I'm joined by two members of my own family
23 today, my uncle Anthony Riado [sp?] and Charles Syrie
24 [sp?], and it is Uncle Charles' birthday today. So,
25 you should all know that. So this is how he chose to

celebrate at least part of his birthday. I'm not sure about judgement, but we're glad you're here. New York City has double the number of women-owned businesses of any other city in the United States. The number of these businesses grew 36 percent between 2007 and 2012 compared, for example, to a growth of eight percent in male-owned businesses. Women entrepreneurs in New York City have seen success, but within those successful numbers there are also some points of concern. While women entrepreneurs now own 40 percent of our businesses, from 2007 to 2012 New York's growth in women-owned businesses was only 19th among American cities. Revenue from women-owned businesses in New York is only 18 when compared to other American cities and fully 70,000 dollars less than the top ranked city which is Dallas. Ninety-one percent of women-owned businesses have no paid employees and are run by what is known as solo-preneurs, solo-preneurs meaning you're an entrepreneur by yourself, you are flying solo. Lastly, in New York City women-owned businesses make up only 13 percent of all private revenue. These numbers raise real concern. Women entrepreneurs are a tremendous asset to the City

generating over 53 billion dollars in revenues. If only one-quarter of the existing 376,405 women-owned businesses in the City with no employees added a single employee in the next three years, it would result in more than 94,000 new jobs. Women make up half of the City's population yet still face significant barriers to building up their businesses. These barriers include access to capital and navigating traditional business communities. In response to these challenges, the City has created the Women Entrepreneurship New York City Program, or WE NYC, to help better support women business owners. Today we hope to evaluate the progress of this program and to look at further steps the City can take to increase gender equity within the business community. There is no lack of innovation and passion among New York City's women, but we need to help break down barriers that exist to harness that passion to the next generation of the City's thriving businesses. I want to note that we've been joined by Council Member Daneek Miller, and I will turn the microphone over to my co-chair, Chair Robert Cornegy.

CHAIRPERSON CORNEGY: Thank you, Chair Garodnick, and it is always a pleasure to co-chair

2 hearings with you. Good afternoon. My name is
3 Council Member Robert Cornegy. I'm Chair of the
4 Committee on Small Business. I want to begin by
5 thanking the esteemed colleague from Manhattan,
6 Council Member Garodnick for co-chairing this joint
7 hearing of Committees on Small Business and Economic
8 Development on opportunities for women entrepreneurs.
9 The challenges faced by women entrepreneurs are a
10 major focus of the Committee on Small Business. Last
11 year, the Committee on Small Business jointly with
12 the Committees on Women's Issues and Contracts held a
13 joint hearing on the City's minority and women-owned
14 business procurement efforts during which we heard
15 about the significant challenges that women-owned
16 businesses have securing city contracts. Those
17 business owners like all women entrepreneurs face
18 challenges accessing capital, promoting their
19 businesses and growing their businesses to sizes
20 adequate to qualify for government contracts. One of
21 the reasons the MWBE program exists is to help women
22 entrepreneurs grow their businesses. So, it's
23 fitting that while we look at what else--that we look
24 at what else the City is doing to foster
25 entrepreneurship among women beyond the MWBE program.

2 I look forward to hearing testimony about the Deputy
3 Mayor's Women Entrepreneurs NYC program and a policy-
4 -and the public/private partnerships the City is
5 developing to help women achieve their dreams of
6 owning their own business. I'd like to thank the
7 staff of the Committee, Michael Kertz [sp?], our
8 Policy Analyst, William Karamantag [sp?], our Finance
9 Analyst, and Jeff Companga [sp?] our Committee
10 Counsel, as well as my Legislative Director Dina
11 Shogross [sp?]. Thank you.

12 CHAIRPERSON GARODNICK: Thank you very
13 much, Mr. Chairman, and with that we're going to get
14 started, and we're going to invite Rachel Van Tosh of
15 the New York City Department of Small Business
16 Services to the witness table, and we will begin as
17 soon as you are ready.

18 RACHEL VAN TOSH : Better? Alright.
19 And happy birthday. Thank you for giving me the
20 opportunity to testify today. My name is Rachel Van
21 Tosh and I'm a Deputy Commissioner at the New York
22 City Department of Small Business Services, or SBS.
23 At SBS we're working hard to open doors for New
24 Yorkers across the five boroughs, focusing on
25 creating stronger businesses, connecting New Yorkers

to good jobs and fostering thriving neighborhoods. Women entrepreneurs are critical to New York City's economy and key to our mission of creating stronger businesses. This Administration is deeply committed to addressing the issues faced by women and girls in New York City. Women entrepreneurs are important economic actors across the five boroughs, building businesses that support families, uplift communities and generate jobs. Our research shows that women entrepreneurs employ more than 190,000 people and generate approximately 50 billion dollars in sales annually, but we know that there unacceptable gender gap when it comes to the number and success of women-owned businesses in our city. Men own 1.5 times more businesses than women, employ 3.5 times more people and make on average 4.5 times more revenue. To address the entrepreneurship gender gap and empower women business owners to reach their full potential, the City has launched Women Entrepreneurs NYC, WE NYC, to connect women entrepreneurs with the resources, education and networking they need to thrive. The economic vulnerability of women in New York City is a marked challenge with one in four women and girls in the City living in poverty, and 40

percent of single mother head of households under the poverty line. For many of these women, entrepreneurship can serve as a pathway for economic opportunity and security. This is why WE NYC is focused on addressing the business challenges faced by women in underserved communities, specifically immigrant women, low to moderate income women and women of color. Through extensive research and engagement efforts, WE NYC has connected with more than 1,500 women entrepreneurs to learn about the unique challenges and opportunities they face. In response, WE NYC is working with a diverse set of partners to launch a series of free tailored tools and services that can support women as they start and grow their business. In particular, our efforts will address challenges women entrepreneurs face when it comes to identifying networks and mentors, accessing capital, developing business skills, and finding comprehensive information to support their business. Nearly half of women entrepreneurs in New York City cite access to mentors and business advisors as a challenge during their business start-up phase, and yet, their advice is essential. When launching a business, more than 80 percent of women rely

primarily on their personal networks as compared to men who much more often use business services such as marketing, financing and accounting. That's why Deputy Mayor Alicia Glen and SBS Commissioner Gregg Bishop announced the inaugural class of WEConnect mentors this past February. The mentors are a cohort of successful women entrepreneurs who are committed to providing free advice and guidance to women in the WE NYC community. These mentors come from different neighborhoods and represent a range of industries from textiles to software, from staffing to fashion. They also have a range of skills. Some are experts in marketing, some in financing, and some in business planning. Women seeking advice can access the mentors for many reasons. They're not tied to just one individual, and there's such a strong response to our call for mentors that we receive more than double the applications that we expected for this program. So these women really are the best of the best across the city. Through in-person office hours, chats online, conference calls, and blog posts that will be shared via WE NYC's digital challenges and through a partnership with the Huffington Post, these mentors will serve to coach and inspire thousands of women

entrepreneurs in the City. We've also launched WEConnect events, a series of events to facilitate networking, introduce inspiring speakers and provide skill-building opportunities for women entrepreneurs. These events are held in outer borough communities to address the lack of business networking events traditionally offered in these neighborhoods. Thus far we have held successful events in the Bronx and Queens and we're planning additional events this spring and summer. In the upcoming months we also look forward to launching tailored educational assistance, WE Master Courses, that will focus on credit building, funding and leadership. Our WE Master Credit Course is being developed in partnership with Grameen America and with Ariva with funding from city community development and will provide free credit building workshops and one on one financial counseling for at least 500 underserved women. WE Master Funding is a collaboration with Babson College, a leader in entrepreneur and developer of the Goldman Sachs 10,000 small business curriculum with support from Deutsch [sic] Bank to provide workshops and a supplemental online tool to educate 500 women a year on business financing

techniques. The course will also facilitate connections to a diverse range of lenders and investors including banks, micro-lenders and crowd funding sources. To strengthen business owner's confidence, our WE Master Leadership Course will coach women entrepreneurs on soft skills such as networking, communication and negotiation. And finally, to help address the needs for cohesive because information, WE NYC will be launching an online portal developed by the New York City based company Blendervox [sic] to help synthesize resources for women entrepreneurs in one centralized location. Outside of WE NYC this Administration is committed to strengthen our MWBE program. In fact, we are on track to reach the Mayor's ambitious goal of increasing the total city awards to MWBE's to 16 billion dollars over the next 10 years. Furthermore, SBS offers a range of free services to all entrepreneurs, everything from accessing financing to intensive business development courses. Since 2015, according to the data that we have available on gender breakdowns, women comprise more than 65 percent of the businesses that we serve at SBS, and for certain offerings such as food business Pathways [sic]

2 Program conducted in partnership with the New York
3 City Housing Authority, women comprise more than 90
4 percent of participants. Ultimately, we believe that
5 as one woman's business flourishes, so does her
6 family and her community. We believe that WE NYC's
7 tailored support along with our existing business
8 services will allow women to unlock their full
9 economic potential, uplifting thousands of New York
10 City women and their communities as well as serving
11 for a model for governments around the world. Thank
12 you for this opportunity again to speak today, and
13 I'm now happy to take any questions.

14 CHAIRPERSON GARODNICK: Thank you very
15 much. I'm going to jump right into it, and then
16 we'll go to Chair Cornegy and the rest of our
17 colleagues. Help us understand a basic fact here.
18 New York has the most women-owned businesses among
19 the 10 largest US cities. We agree with that? Yes?

20 RACHEL VAN TOSH: Yes.

21 CHAIRPERSON GARODNICK: Okay. And it's
22 by a lot. I mean, New York is at 400 plus thousand
23 and the next closest is Los Angeles at 192,000.

24 RACHEL VAN TOSH: One of the largest
25 cities, too.

2 CHAIRPERSON GARODNICK: I'm sorry? Okay.
3 So question one is, is it based on just sheer
4 numbers?

5 RACHEL VAN TOSH: I mean, I think that--

6 CHAIRPERSON GARODNICK: [interposing] To
7 what do you attribute it I guess is my question to
8 you.

9 RACHEL VAN TOSH: Right. I mean, it can
10 attribute to a number of things, but I'd say overall
11 business density and amount contributes to it.

12 CHAIRPERSON GARODNICK: Okay. So, then we
13 need to focus on the other points, which are less
14 favorable for women-owned businesses in New York,
15 which are the rate of growth in which New York is
16 19th in the list of, you know, of the largest US
17 cities in the rate of growth, and then also the
18 average revenues where we are number 18 and well
19 behind, you know, other cities like Dallas and San
20 Antonio, San Francisco, Indianapolis, etcetera. What
21 is happening here? You answered the question about
22 the overall number, but what is happening on the rate
23 of growth and also on the average revenue? Why is it
24 so low relative to other cities?

2 RACHEL VAN TOSH: In the study that we did
3 on this, I think one of the things that we found is
4 that women, you know, do have trouble scaling their
5 business for many of the reasons that I've outlined.
6 They access capital at a smaller amount. They often
7 have less confidence despite equal skills in their
8 ability to grow their companies and manage and lead a
9 team, and that's why we are launching specific
10 services around those two areas.

11 CHAIRPERSON GARODNICK: Those challenges
12 seem like they would be present in any city. New
13 York does not feel particularly distinct in that, but
14 there is a difference between how New York is doing
15 relative to other cities. Why is that from the
16 perspective of SBS?

17 RACHEL VAN TOSH: Yeah, I think New York
18 has always been a somewhat difficult place to grow a
19 business. We have less access to the collateral that
20 you need in order to get larger business loans. Space
21 can be expensive. So it can be more difficult to
22 scale and hire employees. Those are some of the
23 reasons that we could be seeing a difference between
24 New York and other places.

2 CHAIRPERSON GARODNICK: Okay. One of the
3 things that you said that WE NYC is looking to do is
4 to provide a variety of tools and services to support
5 women as they start and grow their businesses, and
6 you outlined a bunch in your testimony. One of the
7 critiques of the City's approach by the Center for an
8 Urban Future was that a lot of resources are
9 allocated toward helping people start businesses, but
10 many fewer resources are spent helping to grow, and
11 with a 90-plus percent solo-preneur situation, the
12 question for you all is are you allocating enough of
13 your time and resources to growth as opposed to
14 start-up and maybe you can give us a sense as to how
15 you are doing.

16 RACHEL VAN TOSH: Sure. I actually would
17 say that several of these services that we're
18 launching will help both growth and start-up
19 businesses. The portal will contain information that
20 will help both businesses who are just starting out
21 as well as women who are looking to grow their
22 companies. The work that we're doing with Babson
23 around access to funding will be working with each
24 women to address where they are in their business,
25 whether they're starting or growing and what types of

2 capital they'll need specifically to grow, either
3 past the start-up phase or at a later phase of their
4 development, and the leadership work that we're doing
5 as well is really focused on how to manage a team,
6 how to lead a team, and that's--you know, that can
7 help a solo-preneur, but it's really meant to take
8 women to the next level of being comfortable and
9 managing a group.

10 CHAIRPERSON GARODNICK: Let's just talk
11 about a few of these initiatives that you've
12 undertaken. One of them was the WEConnect mentors as
13 what you described as a cohort of successful women
14 entrepreneur who are available to guide.

15 RACHEL VAN TOSH: Yes.

16 CHAIRPERSON GARODNICK: How many of those
17 do you have at this point?

18 RACHEL VAN TOSH: We have the first
19 class, which is 17, but we plan to increase that
20 number. Probably we'll do a second call for mentors
21 later this summer or fall. So, it's not just 17
22 that's our goal. We hope to grow that.

23 CHAIRPERSON GARODNICK: What is your
24 goal?

2 RACHEL VAN TOSH: I don't think that we
3 have a limit at this point?

4 CHAIRPERSON GARODNICK: Do you have a
5 target?

6 RACHEL VAN TOSH: A target? So, I think
7 we would like to do maybe once a quarter a call for
8 mentors and maybe see around 20 or 25 each time.

9 CHAIRPERSON GARODNICK: On the WEConnect
10 events, these are the networking speaker skill
11 building opportunities. How many events of that type
12 have you held since it was launched?

13 RACHEL VAN TOSH: We have done two since
14 we released the report in November.

15 CHAIRPERSON GARODNICK: And what was the
16 attendance like at those?

17 RACHEL VAN TOSH: It was about 75 each.

18 CHAIRPERSON GARODNICK: Did you do any
19 evaluation of the events by the participants?

20 RACHEL VAN TOSH: We actually did. Every
21 event we have a response survey asking them to rate
22 the speaker and the format of the event, and women
23 consistently ranked us at like a nine out of ten in
24 terms of value and wanting to recommend us to their
25 friends, and I should say that the events have a

unique format. We try to bring in a woman entrepreneur that can share their story and speak to a certain topic, but then we divide participants into small group tables with a facilitator who's a mentor, and they talk about and sort of group-solve issues that they're facing. So they leave not just having heard something inspiring, but also learning something from their peers.

CHAIRPERSON GARODNICK: And from the, either the evaluations or the event itself, did it corroborate the general understanding that access to capital seems to be the biggest barrier or were there more or surprising challenges identified?

RACHEL VAN TOSH: Sure. So, one of the unique things that we have done in launching this whole initiative is that we've tried to co-create every piece of it. So, you know, we spent several months reaching out to women across the City, going out and having events in all five boroughs. We also have actually continued that in developing each of the programs themselves, and when we decided we were going to do events we did focus groups with real women entrepreneurs and asked what they would want out of this type of service. So, we were testing not

necessarily for what additional challenges are you saying that you're faced, but making sure they're actually enjoying the event and getting what they wanted out of it, which when we did focus groups was around connecting with their peers and solving the issue of the day, whether that be access to financing or they're having an issue with an employee or a business partner, and we've consistently heard that these events provided good forum for that.

CHAIRPERSON GARODNICK: And if you were to have held a similar event, not just for women but for small businesses, entrepreneurs, without that limitation, would--in your experience the challenges have been different, access to capital, networking, etcetera. Is this a different problem for women entrepreneurs than for men, or is this the general strain of challenges that small businesses face?

RACHEL VAN TOSH: I think that's a great question. In general, what we found in our study is that women and men entrepreneurs face similar challenges, but women face them more acutely in certain places. So, I can--a couple of stats that I think are telling, that 10 percent of women rely on banks for capital. Double the number of men turn to

traditional banks to support. Seventy-five percent of women cite lack of confidence as a barrier to help in growing or starting, while it's more like 50 percent of men. So, it's not that the challenges are different, it's the level at which women feel them.

CHAIRPERSON GARODNICK: Okay, just two more questions from me and then I will move--

RACHEL VAN TOSH: [interposing] Yeah.

CHAIRPERSON GARODNICK: on to my colleagues, and I apologize to them for hogging the floor for a moment. But on the courses, you have the Master Money Credit Course and you have the Master Money Funding Course, each which is aimed at serving 500 women annually if I understand it correctly.

RACHEL VAN TOSH: At least.

CHAIRPERSON GARODNICK: At least, and when will these courses be up and running?

RACHEL VAN TOSH: We are piloting them actually now in a small number, but they'll be fully launched this summer.

CHAIRPERSON GARODNICK: Okay. And they are courses that are over a year? How long does these courses go? Is it a one-time shot? What are they exactly?

2 RACHEL VAN TOSH: The WE Master Funding
3 Course I believe is either a two or three-day
4 workshop. It's six to eight hours in total, and then
5 the Credit is a similar amount of time with follow-up
6 one on one financial counseling sessions.

7 CHAIRPERSON GARODNICK: Okay. Alright,
8 thank you very much. Chair Cornegy, I'm going to go
9 to you.

10 CHAIRPERSON CORNEGY: Thank you, Chair
11 Garodnick. So, I just have a couple of questions.
12 Ironically, right now there is a worker co-op in this
13 building that's taking place, and what I've as a
14 member of that worker co-op taskforce I've noticed
15 that ironically the growth or boom of the co-ops have
16 been directly correlated to women participation. I
17 wonder in your numbers if you factor in worker co-
18 ops, and if so, to what degree?

19 RACHEL VAN TOSH: So, the numbers on women
20 entrepreneurs that we pulled are from the census. I
21 would have to take a look at the census definition to
22 see how they include worker cooperatives, but I'm
23 happy to do that and get back to you.

24 CHAIRPERSON CORNEGY: Yeah, I would just
25 suggest because what we're seeing is this growth,

kind of an explosion in worker co-ops, and a lot of those worker co-ops I don't know the ratio, but it seems as though--

RACHEL VAN TOSH: [interposing] It's a high percent, yeah.

CHAIRPERSON CORNEGY: a high percentage of those worker co-ops are populated by women and it seems to be a safe place where women are finding their way through entrepreneurship. So we as a council obviously support that, and we just want to make sure that it's being supported across the board in a way that makes sense, and we're using those numbers to dictate or to predict the growth of worker co-ops.

RACHEL VAN TOSH: Absolutely, and you know, luckily the worker co-operative initiative that the City conducts in partnership with Council is run by SBS and my team. So, it turns out that the worker cooperative program management sits about 50 feet away from the WE NYC team and they speak frequently. So, I think it's a great area of collaboration.

CHAIRPERSON CORNEGY: So, and certainly as the Chair of Small Business I'd certainly like to be in on those conversations, not really as a fly on

the wall, but really participating in that so that what we believe is a great opportunity and area for growth for the City, but particularly for women-owned businesses that we can be in on that conversation.

RACHEL VAN TOSH: Great. We always value that.

CHAIRPERSON CORNEGY: Okay. So, the number of WE NYC, the numbers in the WE NYC report are different from the numbers in the Center for Urban Future report in terms of rate of growth, number of women entrepreneurs, number of employees in women-owned businesses, and average revenues of women-owned businesses. I can only assume that this is because the WE NYC report extrapolated 2014 numbers based on '02 and '07 numbers while CUF used actual numbers from '02 through '12. Could you explain the reasoning behind using data that seemingly is a little stale instead of more recent data?

RACHEL VAN TOSH: Sure. It's pretty simple that the data that was used in the CUF report came out after we published our report. It was actually released in December and our report came out

in November, but we are working with the team that put together the report to update the numbers.

CHAIRPERSON CORNEGY: And the extrapolated numbers predicted that there would be a smaller rate of growth and less women-owned firms in 2014, but higher number of employees and higher average revenue. What the CUF report shows is that despite a larger number of women-owned firms and a higher rate of growth, the number of employees in women-owned firms are substantially less than predicted and so was average revenue. Could you explain why you think the predicted numbers do not match the actual numbers?

RACHEL VAN TOSH: I mean, I think that we were likely conservative in some of our predictions.

CHAIRPERSON CORNEGY: Okay.

RACHEL VAN TOSH: I'm not sure the difference signifies anything significant policy-wise, but again when we go back and update the numbers, we'll be looking at some of those differences as well.

CHAIRPERSON CORNEGY: And then for me the last question in this round I'm going to stay with the WE NYC report. Since March 2015, WE NYC has

2 created a 27-person advisory board and released a
3 report which was supported by city community. Since
4 the release of the report, WE NYC discussed plans for
5 Master Classes, mentorship, networking events, and
6 online portal for women entrepreneurs. Can you
7 discuss the progress on these services and why you
8 chose these particular services for that?

9 RACHEL VAN TOSH: We felt those services
10 are aligned with the greatest challenges that we saw
11 for women entrepreneurs, and right now we have
12 launched, as I said, the events and mentorship
13 components. We're piloting the different classes
14 that we think will be helpful around access to
15 capital. We're also piloting the leadership class
16 with the plan that they will launch this summer, and
17 the portal should also be going live this summer. So
18 we've been making good progress.

19 CHAIRPERSON CORNEGY: So, we've been in
20 this hearing almost an hour, and I would be remiss if
21 I didn't mention Chamber on the Go. I've probably
22 already gone way--

23 RACHEL VAN TOSH: [interposing] One of my
24 favorites.
25

2 CHAIRPERSON CORNEGY: too long without
3 mentioning it, and the possibility for partnership on
4 the WE NYC program if it's not already being done.
5 So, now it's terrific that actually SBS is the
6 administrator of the Chamber on the Go. So my hope
7 is that all of these materials and information get
8 out through that vehicle to women-owned businesses
9 the same it's been done for other services that the
10 City provides.

11 RACHEL VAN TOSH: Absolutely. It's one
12 of my favorite programs as well, I will say.

13 CHAIRPERSON CORNEGY: You didn't have to
14 say that.

15 RACHEL VAN TOSH: I know I don't, but I'm
16 going to. It's been a great tool for us to get the
17 word out about all of our programs, and once these
18 are launched at scale, it will absolutely be part of
19 the message that Chamber on the Go brings to
20 neighborhoods across the city.

21 CHAIRPERSON CORNEGY: Thank you. And
22 lastly for me, what are the other big plans for WE
23 NYC for the future that we can look forward to?

24 RACHEL VAN TOSH: Well, I think that we
25 are very committed to launching successfully the

programs that were in development stage right now, but one of the things that has been I think very inspiring is the community of women entrepreneurs that have arisen around this initiative. I mean, we launched a Facebook group and within a few days we had more than a thousand people on it, and they talk all the time sharing stories. So, I think we'd like to develop ways to bring that networking into neighborhoods, take a place all across the city and help women learn from each other.

CHAIRPERSON CORNEGY: So, thank you. For my first round, that's it.

RACHEL VAN TOSH: Thank you.

CHAIRPERSON GARODNICK: Thank you, Chair Cornegy. I want to note that we've been joined by Council Members Koslowitz, Dickens and Eugene, and now we're going to go for some questions to Council Member Menchaca.

COUNCIL MEMBER MENCHACA: Thank you to both our Chairs for lifting this very, very important question about how we support our women entrepreneurs, and I want to also just note that both--I think most of us spend a lot of time with the cooperatives today on both floors of 17 and 18, and I

have to also say that in Sunset Park we have more cooperatives being birthed out of the neighborhood than any other community. And what I want to add another layer, and this is my first question, most of those cooperatives are built out of immigrant women that are collecting and unifying in solidarity to build these cooperatives, and so how has in this, as we kind of evaluate where we are in the opportunities for women entrepreneurs, where's SBS thinking about immigrant specifically how we package these programs for our immigrant communities, and then insert all the other issues, access, language access issues, childcare, and other ways to get people into the door? When we think about Chamber on the Go and other programs, how are--how is SBS thinking about that?

RACHEL VAN TOSH: Sure, and as I mentioned, this is a real focus of our programming. We've worked with a number of strong partners. You know, in the City we work with MOIA regularly. We also just entered into sort of a partnership with all of the Latin American Consulates in the City in order to talk about our services, and they've committed to sending clients there. I'd say also that we have a

2 very strong partnership with Grameen America, and
3 they--Andrea Jung sits on our board. But in
4 developing some of these programs we did, as I
5 mentioned, we really committed to co-creating with
6 folks. So we were able to bring in center chiefs
7 from the Grameen system. So these are women who are
8 in charge of groups of 30 women in their communities,
9 so they're real leaders. Sat down with 60 of them
10 and asked them what were their biggest challenges,
11 what did they want to see, what would help them grow
12 their business, and that is actually how we developed
13 the WE Master Credit Class, that credit was the thing
14 that they wanted to learn most about.

15 COUNCIL MEMBER MENCHACA: I like those
16 examples. Can we get a couple more examples about
17 where there is a real direct and intentional outreach
18 into the immigrant community that developed a
19 different approach for you all at SBS? Is there
20 another example?

21 RACHEL VAN TOSH: Sure. I think that--
22 I'm trying to think of other good examples of this.
23 Oh, right. We also have worked with the Downtown
24 Partnership and in Chinatown to pilot classes around
25 funding, to ask them questions about what they would

2 need to develop that work. I'm trying to think of
3 other areas, but I'm happy to also think about this
4 and get back to you. I know that there are some
5 other examples.

6 COUNCIL MEMBER MENCHACA: Great. I might
7 actually add this, a meeting with Commissioner
8 Agarwal later today. So I'll add that to my list of
9 topics, because one of the big things we're doing
10 right now is putting this budget together, and I know
11 this is not a budget hearing, but I wanted maybe to
12 know a little bit about any kind of barriers you have
13 right now that is preventing you from doing more
14 access or creating more access for immigrant
15 communities. What are the barriers for SBS today?

16 RACHEL VAN TOSH: I mean, I think that
17 making sure that we have strong partners is certainly
18 one of the things to help overcome the barriers.
19 Language access, I mean, we're very committed to
20 offering all of our services at least in English and
21 Spanish and furthering that in other languages as
22 well, but that can also be expensive. So, assistance
23 around that I think is always appreciated, as well as
24 any feedback from your constituents on what we could
25 be doing better in programming or what's preventing

2 them from coming to our programs. We're very
3 committed to hearing from them.

4 COUNCIL MEMBER MENCHACA: And I think my
5 next question is going to be the same, in the same
6 realm of really tracking our immigrant population. I
7 think our immigrant population is actually generating
8 a lot more in the new job creation. There's a--and I
9 think Chair Garodnick's point about if every one of
10 the new women entrepreneurs solo businesses hired
11 just one person, we'd have almost 100,000 jobs
12 overnight, and I think that kind of speaks to the
13 power. One of the other cooperatives that's about--
14 it wasn't here today, but is about to build itself
15 into existence is a trans Latina cooperative, and
16 they're creating--they're actually trying to figure
17 out how to bring multiple business ideas to fruition.
18 How are you engaging the LGBT community and
19 specifically the lesbian and maybe trans women in
20 your work and thinking about that kind of cultural
21 competency and fluency with that community?

22 RACHEL VAN TOSH: I would say that to-date
23 that has not been a specific focus of the outreach
24 work that we're doing, but I would be very welcome if
25 you have groups or individuals that you think could

2 speak to business needs in that community or
3 entrepreneurs in that community, I would love to sit
4 down with them.

5 COUNCIL MEMBER MENCHACA: Great, and
6 thank you. So, we'll connect to you to make sure
7 that there's--

8 RACHEL VAN TOSH: [interposing] Yeah, that
9 would be wonderful.

10 COUNCIL MEMBER MENCHACA: synergy.

11 RACHEL VAN TOSH: Yeah.

12 COUNCIL MEMBER MENCHACA: I think part of
13 kind of thinking about the gender gap, you got to
14 look at the whole spectrum, and there's a lot of
15 fueled energy right now coming from those community
16 that I think want to engage in a kind of a business
17 entrepreneur side. And then the last question is
18 more of clarification. You said in according to your
19 data there's--women comprise more than 65 percent of
20 the businesses that you serve at SBS, and then
21 there's a 90 percent participant rate for your Food
22 Business Pathway Program. Sounds like women are
23 coming to your events, and yet we're seeing--we're
24 still kind of seeing a traditional male, a kind of
25 male are accessing the services at a higher rate than

2 women. What's that? What--can you spell a little
3 bit of, like, where are we losing them down the way
4 if we're getting so many to come to the--to your
5 service programs?

6 RACHEL VAN TOSH: So, I think that we do
7 have a high percentage of women accessing our
8 programs, but we've not seen that, you know,
9 translate into really fixing some of the acute
10 challenges that they face, which would was the--

11 COUNCIL MEMBER MENCHACA: [interposing] So
12 it's everything you just mentioned--

13 RACHEL VAN TOSH: idea.

14 COUNCIL MEMBER MENCHACA: like access to
15 capital and all that.

16 RACHEL VAN TOSH: Right. And that was the
17 idea behind launching WE NYC is that we thought even
18 though they're accessing our services at relatively
19 high percent that they needed and deserved tailored
20 services that focused on some of the barriers they've
21 faced. That's what we hope to do through WE NYC.

22 COUNCIL MEMBER MENCHACA: Got it. Okay.
23 Thank you. Good work.

24 CHAIRPERSON CORNEGY: I just want to add
25 to Carlos--to Council Member Menchaca's point. I

2 need to get you the number of the young man I met who
3 is the Chair of the LGBT Chamber--

4 RACHEL VAN TOSH: [interposing] That would
5 be wonderful.

6 CHAIRPERSON CORNEGY: and the work and the
7 passion that he has in and around organizing those
8 businesses is absolutely incredible. He's somebody
9 you should meet.

10 RACHEL VAN TOSH: Great. I would love
11 that.

12 CHAIRPERSON GARODNICK: Thank you, Council
13 Member Menchaca. I want to note we've been joined by
14 Council Member Barron, and now we're going for
15 questions to Council Member Dickens.

16 COUNCIL MEMBER DICKENS: Thank you so
17 much, and thank you to our Chairs for having this
18 hearing on this most important effort of WE NYC, and
19 thank you for your testimony. Council Member
20 Menchaca touched upon some of my questions. However,
21 my question is a little bit more inclusive in that
22 I'm not talking about just immigrant women, I'm
23 talking about women of color. I want to know
24 specifically, please if you have the information now,
25 and if not maybe you can get back to me with it, is

that since NYC is focused on underserved communities, what are you doing to provide and encourage access to low or no interest loans for start-up businesses as well for existing? And particularly, since this is a New York City incentive and there are particular issues with city contracts that are cumbersome to a small women-owned, or men for that matter, business that makes it difficult, and since I opened that door I might as well speak about the assistance that would be needed for the completion of such forms. Are you also including in their registering as MWBE's? I want to know what is your access for MBE's, women-owned contracts, not just MWBE's to be specific. And I'd like to know, if you have it, a breakdown of the type of organizations locally that you engage in order to outreach in underserved communities of color for women-owned businesses, and like I said, not just immigrant, but women of color.

RACHEL VAN TOSH: Can I repeat back some of the questions? Okay, so first was access to low-interest loans or grants. On that front, as I mentioned, we are working both on the credit side and the funding side to help women access loans and different types of capital. You know, what we found

is actually we thought there's a fair amount of capital out there, and women would go to a bank and get rejected because maybe they weren't the right fit for that, and then they would feel so rejected by the whole process they wouldn't actually go back to look for capital in more appropriate places, even though women are more successful in things like crowd funding and other campaigns where you can access start-up capital or even growth capital at very low rates. So that is a specific focus of the work that we're doing around funding is teaching women about these other avenues where they can access lower interest loans or grants or equity financing at the levels that they need. The second I think was around what organizations we're working with locally to get the word out to women of color. We're working with a whole set of organizations. I would say that one organization that we have been speaking with is Kenya's [sic], the Chamber of Commerce organization. She has a strong base in the community of color, but I am always, as I think I said, open to introductions. This is an area that we feel very strongly about, and I'm happy to work with anybody who can bring women to our services. And then the

third was around help with certification. So I'd say that--Maria Osorio's here. She's Assistant Commissioner at SBS, and she can come up and join me, but we do a lot of work around that really outside of the work that WE NYC does, although we have consciously always tried when we have events or other things to work with certified WBE's in the City, and you know, the agency does a lot outside of this particular program to help women to get certified to do work with the City.

COUNCIL MEMBER DICKENS: Thank you so much, and I want to just add to that because the state, for instance, has a program specifically for--not just for women-owned, but MWBE's that they opened up a program at Carver Bank, which is a minority-owned bank which allows for a low-interest loans to be given on a fast track because what happens is the crowd funding is not really conducive. If you've got a contract with the City and they didn't pick [sic] you on time which frequently happens and as a result many women-owned businesses have gone under because of the lack of access to capital, and what happens is that there's no--I have not found that the City has actually provided access to capital, low-interest

2 capital, that is on a fast track that enables them to
3 be able to meet their bills, their actually monthly
4 ongoing bills. So that's really--

5 RACHEL VAN TOSH: [interposing] Got it.

6 COUNCIL MEMBER DICKENS: I'm being more
7 specific in my question about that, and I'm a MWBE so
8 that's why I know.

9 MARIA OSORIO: In relation to working
10 with MWBE's, part of the outreach for the WE NYC
11 program was also the MWBE Leadership Association. So
12 they were part of the mailing list in getting out to
13 the community, their communities, on access to this
14 program and all of the offerings. Everyone who's
15 been outreached through this program and participates
16 has access to all SBS programs. In relation to your
17 comment about the difficulty in filling out forms for
18 contracts, that's one of the SBS services that the
19 Division of Economic and Financial Opportunity
20 provides through our one-on-one technical assistance.
21 That is offered to all small businesses, not just
22 certified MWBE's. Well, they can through us schedule
23 a one-on-one session with our consultant who helps
24 with everything from completing forms, how to
25 approach the bidding process, RFP's. So we can walk

2 them through that process. They just call our office
3 and we schedule an appointment with them with the
4 consultant.

5 COUNCIL MEMBER DICKENS: So, a small
6 business would have to know that they can call
7 whatever the specific number is, and you would put
8 them in touch.

9 MARIA OSORIO: Yes.

10 COUNCIL MEMBER DICKENS: Now, for
11 instance, in my community HBA is very active in this,
12 the Greater Harlem Chamber. I mean, I can speak to
13 you about several other organizations that you did
14 not mention, although Kenya Brews [sic] organization
15 is excellent and does a lot of work throughout
16 northern Manhattan, not just in Harlem or West
17 Harlem, but throughout northern Manhattan, but
18 there's other organizations that I did not hear you
19 mention, and I didn't know whether they were on your
20 radar screen or not.

21 MARIA OSORIO: Yeah, she--Kenya's
22 organization is just one of the nine MWBE Leadership
23 Associations.

24 COUNCIL MEMBER DICKENS: Nine?
25

2 MARIA OSORIO: There are nine of them.
3 They're all listed on our website. They're led
4 through our Executive Director of External Affairs
5 Unit led by Walter Maxwell, and they do support for
6 all of our services and certification, plus one-on-
7 one technical assistance and also getting the word
8 out on all SBS services in the respective communities
9 these community-based organizations are located.

10 COUNCIL MEMBER DICKENS: Alright. Is
11 there a way maybe that the City would consider or
12 that we would consider having a program such as what
13 the state has now at a bank, in this case the state
14 has it with Carver, but does a contract with a bank
15 in order to provide fast-tracked, low-interest loans?

16 MARIA OSORIO: Well, through our capital
17 finance program led by Rachel Montasha's [sic]
18 division, it's actually a program where businesses
19 can pre-qualify. So they can go ahead and sign up to
20 see if they qualify for the loan program, and it
21 allows mobilization funds once that business wins a
22 contract. They can get 10 percent, up to 150,000
23 dollars, as soon as they win a contract if they need
24 the financing to start the work. So that program has
25 been existing at SBS for years.

2 COUNCIL MEMBER DICKENS: Is that--yeah,
3 but it hasn't been greatly utilized because many
4 businesses that are registered with SBS--and this is
5 not an attack. I don't want you to think it's an
6 attack--

7 MARIA OSORIO: [interposing] No, of
8 course not.

9 COUNCIL MEMBER DICKENS: but many
10 businesses that have been registered have gone under,
11 and that's my fear, and it still goes back to the
12 problem with the access to capital, and particularly
13 with city contracts. So, I don't want to, you know,
14 belabor it, but I wanted it laid on the table so that
15 there's a clear understanding that there still is a
16 big vacuum. There is a divide in this, and so
17 serious concern, because in minority communities of
18 color whether they're immigrant communities or Latino
19 communities or black communities or Asian
20 communities, there is a significant problem with our
21 small women-owned businesses surviving, and they're
22 not cooperatives. I'm talking about that are
23 actually owned. So, I wanted that on the table to see
24 if that--since we do have a program such as WE NYC
25 which is so important and critical where it could be

2 enhanced to actually significantly do something for
3 the survival of those businesses that hire within our
4 communities that actually will attack unemployment.

5 RACHEL VAN TOSH: Okay.

6 COUNCIL MEMBER DICKENS: Thank you for
7 your response.

8 RACHEL VAN TOSH: The Mayor did recently
9 commit an additional 10 million dollars to increase
10 the capital available through a mobilization loan
11 program. That's not all focused, of course, on
12 WBE's, but it is a significant investment into the
13 program, and I would sincerely like to learn if there
14 are organizations that you think would be able to
15 give good advice on how to structure that program in
16 a way that makes it easier for women of color to
17 access, I'd be happy to speak with you afterwards to
18 make sure that we're hearing from everyone who can
19 help inform that program as we expand it.

20 COUNCIL MEMBER DICKENS: Alright, well,
21 thank you, because I wasn't just talking about in
22 Manhattan, but we could talk about Abney [sic] in
23 Queens. We could talk about groups in Brooklyn, you
24 know, throughout citywide is what I'm looking for.

25 RACHEL VAN TOSH: Yes, and this program--

2 COUNCIL MEMBER DICKENS: [interposing]

3 Alright.

4 RACHEL VAN TOSH: will be available
5 citywide.

6 COUNCIL MEMBER DICKENS: Alright, thank
7 you.

8 CHAIRPERSON GARODNICK: Thank you, Council
9 Member Dickens. I'm going to go in a moment to
10 Council Members Miller and Koslowitz, but I just
11 wanted to jump in with a couple of quick questions.
12 Budget question--we're not at a budget hearing, but
13 it's obviously relevant here. There was an
14 allocation of 745,000 dollars in fiscal year 16 to WE
15 NYC and a proposed 740,000 for fiscal 17 which is
16 currently being discussed between the Council and the
17 Mayor. Tell us about the fiscal 16 funds, how much
18 of the 745,000 dollars allocated was spent, how it
19 was spent. Tell us what you can about that number.

20 RACHEL VAN TOSH: Sure. I might have to
21 get back to you on the latest, but we intend to spend
22 as much as we possibly can of this years' allocation
23 as well as next years', and as our programs are
24 successful and continue to grow, we'll look for
25 additional funding for them.

2 CHAIRPERSON GARODNICK: Okay. It sounds
3 like you may not be prepared to answer that specific
4 question, so I would just ask that you come back to
5 us--

6 RACHEL VAN TOSH: [interposing] Yeah.

7 CHAIRPERSON GARODNICK: and let us know
8 specifically the answer to that. And also maybe this
9 is a more easily accessible question about the 5,000
10 dollar differential between one year to the next.
11 Obviously we're not talking about significant funds
12 here, but obviously something was anticipated to have
13 changed which prompted a difference in the request.
14 Do you have sense as to what that was?

15 RACHEL VAN TOSH: I mean, the agency has
16 had some level of budget reductions. So, it's likely
17 to be just a small amount that we determined that we
18 could move from year to year, but I can also get back
19 to you about that.

20 CHAIRPERSON GARODNICK: Okay, please do.
21 Let me go to Council Member Miller.

22 COUNCIL MEMBER MILLER: Thank you, Chair
23 and Chair Cornegy as well. Could we kind of go back
24 to and someone speak to your outreach in terms of how
25 do we identify these women-owned businesses, how they

2 are and where they're located, but more in specific
3 how are you reaching out to them?

4 RACHEL VAN TOSH: Across all the
5 programs?

6 COUNCIL MEMBER MILLER: Uh-hm.

7 RACHEL VAN TOSH: Sure. So, as you
8 mentioned we have--

9 COUNCIL MEMBER MILLER: [interposing] I'm
10 sorry. On specific target audience as we have learned
11 today about some of your programs here. So obviously
12 there are some specific target audiences. How are you
13 reaching out to them?

14 RACHEL VAN TOSH: So we're reaching out to
15 them through, you know, government partners that we
16 work with like MOIA and the Office of Financial
17 Empowerment. We're reaching out to them through the
18 numerous community organizations that we work with
19 and fund through SBS that include the worker
20 cooperative groups. That includes business
21 improvement districts, merchants associations and
22 then partners that I've mentioned previously like
23 Grameen America, Chinatown Partnership, the Latin
24 American Consulate, and we also are doing a fair
25 amount of press and marketing around this.

2 COUNCIL MEMBER MILLER: So, if I could be
3 more specific, how are we marketing or how are we
4 identifying the groups in the outer boroughs in
5 particular and in the Southeast Queens community?

6 RACHEL VAN TOSH: I mean, we are reaching
7 out through all of our available channels. If,
8 again, there are people--

9 COUNCIL MEMBER MILLER: [interposing] What
10 channels are available that you have reached out to
11 in that community? Do you know? I'm not--I'm just--

12 RACHEL VAN TOSH: [interposing] Off the
13 top of my head--

14 COUNCIL MEMBER MILLER: [interposing]
15 Who's on point [sic]--

16 RACHEL VAN TOSH: I don't know in
17 Southeast Queens which specific groups.

18 COUNCIL MEMBER MILLER: We have--so just
19 off the top of my head I know we do have a women-
20 owned, minority women-owned business, the Communities
21 of Color Newspaper. We contract. We have a--are we
22 reaching out to Ms. Clemmens [sic]? Do we have a
23 relationship there?

24 MARIA OSORIO: Part of the outreach was
25 providing the division of business development. All

2 of the certified businesses, again, are MWBE
3 Leadership Group Associations. We have one that is
4 located in Queens, and also any other businesses
5 that's come through us that are non-certified through
6 our Procurement Technical Assistance Center and other
7 workshops. The programming we provide through the
8 Division of Economic and Financial Opportunity is not
9 just for certified MWBE's. We also help all small
10 businesses. There are many who aren't certified.
11 All of our lists were provided in part of the
12 outreach.

13 COUNCIL MEMBER MILLER: So, yeah, that's
14 really more of what I was talking about. I think
15 that my challenge has been is actually getting people
16 certified. I think that's been articulated by the
17 other members earlier, in particular Council Member
18 Dickens, that that has been a problem, kind of
19 sifting through the minutia of all the paperwork.
20 And so we want to be able to partner in providing
21 technical assistance, and how does that get done, but
22 how do we identify those particular groups that may
23 not be on your radar that currently exists, and what
24 are we doing to--what kind of partnerships exist
25 within your local--with the local elected and

2 communities, because we may not have--although we
3 have a couple of active chambers that actually ran by
4 women, what kind of outreach that exists there
5 because we want to make sure that we're achieving the
6 goals that we set out to do, because these are a lot
7 of great ideas, but if we're not reaching target
8 audiences, you know, I'd love to focus on that.

9 RACHEL VAN TOSH: Okay. Absolutely.

10 CHAIRPERSON GARODNICK: Thank you,
11 Council Member Miller. Now, Council Member
12 Koslowitz.

13 COUNCIL MEMBER KOSLOWITZ: Thank you, Mr.
14 Chair. What are you doing to reach out to all the
15 immigrant communities, and I'm going to back off of
16 Council Member Miller, throughout Queens?

17 RACHEL VAN TOSH: So, I think it's
18 somewhat similar to the last question. I think that
19 we're working with community partners that we know
20 have strong faces. We're working with the Chamber.
21 We're also putting out as notices and doing work to
22 get news out about our program through local
23 newspapers, through ethnic newspapers and media
24 outlets, but again, I welcome if there are particular
25

2 groups that you feel that we're not reaching, I'd be
3 very happy to--

4 COUNCIL MEMBER KOSLOWITZ: [interposing]

5 Well, I have--I have a very large Boucoiran [sic]
6 community within my district, and I don't think
7 anybody reaches out to them. You know, I try and do
8 whatever I can, but nobody really gets to them. It's
9 like a forgotten community. Like, they're off on
10 their own, and you know, I come in there and I help
11 them whatever I can do for them, but nevertheless,
12 nobody reaches out to them, and I wish that, you
13 know, you do reach out to them. There's a large
14 community in Brooklyn also, and they're people that,
15 you know, maybe don't understand, you know, what they
16 have to do, and I know a lot of them want to do, you
17 know, be in business. I know I have a lot of women
18 coming to me that want to do groups and things like
19 that even though it doesn't fit in, but I'm sure a
20 lot of them would like to have their own business and
21 need help in doing things.

22 RACHEL VAN TOSH: Well, any contact you
23 have there I'd be happy to take from you, and we can
24 add them.

2 COUNCIL MEMBER KOSLOWITZ: I can give you
3 a lot of contacts--

4 RACHEL VAN TOSH: [interposing] Perfect,
5 even better. We will take them and we will add them
6 to our list, but I'll also make sure somebody calls
7 and talks to them about what some of their needs are
8 and how we might be able to reach them more
9 regularly.

10 COUNCIL MEMBER KOSLOWITZ: Okay. I also
11 want to say that in my community I have the South
12 Asian Bakery that is fabulous, and everybody love
13 them, and they're being harassed by their landlord.
14 It's a different situation. She's already settled.
15 However, SBS has come in to help her, and I really,
16 really appreciate that.

17 RACHEL VAN TOSH: Thank you.

18 COUNCIL MEMBER KOSLOWITZ: Thank you.

19 CHAIRPERSON GARODNICK: Thank you,
20 Council Member Koslowitz. We're going to go back to
21 Council Member Menchaca for a follow-up.

22 COUNCIL MEMBER MENCHACA: Thank you,
23 Chair Garodnick, and I want to just add a whole new
24 window to this conversation about our immigrant
25 community and our people of color and the harder to

2 reach communities. Do you track who you speak to and
3 get some kind of demographic information from the
4 folks that are coming both into your sessions, your
5 SBS services sessions, and then just all of the
6 applications? Do you have a sense of who you talk
7 to, who you help and who you open businesses for?

8 RACHEL VAN TOSH: So, through this
9 programming and through our intake we will be
10 tracking that. I'd have to look and see what data we
11 have for all of the services that are available. I
12 don't have those numbers in front of me.

13 COUNCIL MEMBER MENCHACA: Okay.

14 RACHEL VAN TOSH: But it's not something
15 where we're--we can't require people to tell us, but
16 of those that we ask and can pull numbers on what we
17 have in terms of demographic breakdown.

18 COUNCIL MEMBER MENCHACA: How far can you
19 require? I'm just kind of curious to see what data
20 can you get, because a survey is a survey, and it'd
21 be great to just do the survey. We're doing it on
22 all our kind of programs like participatory
23 budgeting. We track in different ways how and who
24 we're talking to. Ballots come in in different
25 languages, not just English, and so it's really great

to kind of have that soft data. Can you--next time and later, I think it'd be helpful for us to know by borough who you're interacting with and if you're having to interact with people using translators, for example. There's things that you can do to extrapolate data about who--without having to reveal status, for example. So, I'm hoping that not just this program but all the entrepreneur business services can start tracking some of this information.

RACHEL VAN TOSH: We do track language preference. We do track also--

COUNCIL MEMBER MENCHACA: [interposing] Do you have any of that data today?

RACHEL VAN TOSH: I don't have it for all of our services, and since we haven't fully launched many of the WE NYC services--

COUNCIL MEMBER MENCHACA: [interposing] Right.

RACHEL VAN TOSH: we haven't started tracking it yet.

COUNCIL MEMBER MENCHACA: Got it, okay.

RACHEL VAN TOSH: But in the--

COUNCIL MEMBER MENCHACA: [interposing] But all of that is posed to track from here on out?

2 RACHEL VAN TOSH: Yeah, to the extent that
3 people want to answer the question, yes.

4 COUNCIL MEMBER MENCHACA: Right. Well,
5 they'll have to answer--

6 RACHEL VAN TOSH: [interposing] And in
7 the--

8 COUNCIL MEMBER MENCHACA: a question in a
9 language of some sort. So, that will help as well.

10 RACHEL VAN TOSH: And in the survey work
11 that we did we also asked that, and we actually in
12 the responses that we received from that had a fairly
13 representative sample based on income and, you know,
14 country of origin breakdown. So, you can look at the
15 information in the report as well.

16 COUNCIL MEMBER MENCHACA: Last question on
17 tracking. Do you track literacy rates by any chance
18 where people are coming to you with literacy? I
19 mean, there are incredibly competent people out there
20 that have business skills, maker skills without
21 literacy in English language. Do you track, or is
22 there ways that you thought about--

23 RACHEL VAN TOSH: [interposing] Well, the
24 things that we track--literacy as a category, again,
25 we do track language preference.

2 COUNCIL MEMBER MENCHACA: Language
3 preference, okay.

4 RACHEL VAN TOSH: Yeah.

5 COUNCIL MEMBER MENCHACA: Okay, okay.
6 Again, just back to barriers, how people are
7 experiencing barriers and really just like an English
8 language access class could be helpful to get them
9 ready. I know there's a whole workforce program for
10 that as well, but I wanted to see how that
11 interacted.

12 RACHEL VAN TOSH: And we do provide, as I
13 said, classes and will be providing classes in
14 different languages, so it won't just be English
15 language provision, and materials as well will be
16 translated.

17 COUNCIL MEMBER MENCHACA: Got it. Got it.
18 And then, if someone walks into your class and wants
19 to start a business but needs literacy help to get to
20 higher literacy or GED, how does that happen in your
21 classes, in your service classes?

22 RACHEL VAN TOSH: We will typically make
23 referrals to other city programs that help with that,
24 or we'll refer them to MOIA so--
25

2 COUNCIL MEMBER MENCHACA: [interposing]

3 So, they have to leave you and then come back, is
4 that how it happens, or they--

5 RACHEL VAN TOSH: Only if they want to. I
6 mean, they're always welcome to stay in the class.

7 COUNCIL MEMBER MENCHACA: Okay. Okay.

8 Okay, great. It's just about trying to keep them
9 excited and moving through understanding how to start
10 a business and then getting them up to speed on their
11 English level proficiency and their literacy rates as
12 well.

13 RACHEL VAN TOSH: And we will follow up
14 and check in with clients, even if we--

15 COUNCIL MEMBER MENCHACA: [interposing]

16 And that's part of the program?

17 RACHEL VAN TOSH: refer them. That's
18 just part of our general operating.

19 COUNCIL MEMBER MENCHACA: Okay, that's
20 great. Thank you.

21 RACHEL VAN TOSH: Yeah, no problem.

22 COUNCIL MEMBER MENCHACA: Looking forward
23 to some of that data that comes after that time.

24 CHAIRPERSON GARODNICK: Thank you,
25 Council Member Menchaca. I am just going to finish

up here and then we're going to move to the Center for an Urban Future, and we thank you for your time today. But I wanted to talk about the access to capital question just a little bit more, because 66 percent of the women entrepreneurs that were surveyed for the WE NYC report cited access to capital as a major issue, if not the major issue, and nationally, women-owned businesses are still significantly less likely to be approved for loans than men-owned businesses. So, first question for you is what's happening here? You gave the interesting stat before that women-owned businesses are twice as likely to go to a conventional bank for financing than men, but when it comes to the approval of the loans themselves, that wouldn't seem to be the explanation for that. So what is happening, and then of course my follow-up is going to be what we can do to address that particular issue? So, help me understand what we're dealing with here.

RACHEL VAN TOSH: Sure. I mean, one other interesting stat is if you looked at the New York FEDS [sic] report, I think it was last year, but I think the statistics stays about the same, that on average, businesses spend more than 24 hours applying

for a bank loan and typically go to at least three different banks. And one of the things that you find for women entrepreneurs, which I mentioned earlier, is that they often get sometimes discouraged after a first rejection even if they're just as well prepared as their male counterpart. So, one of the things that we see is that women come in, they're maybe not fully prepared in order to make the ask, but then they don't necessarily go back, and they prefer to boot strap the money. They get something from friends and family, and they, you know, subsequently actually don't grow as quickly which is one of the reasons that you see growth of businesses for women at a slower rate than men. So, what we're focusing on is really like the preparation piece and making sure that women feel and are prepared to one, know how much money they need. The other thing that we see is women actually tend to under ask for capital, even controlling for things like industry and experience to make sure they're asking for what they need, and that they're prepared to ask the right people, and that's how we hope to bring up the number of women who are successfully accessing capital by preparing them.

2 CHAIRPERSON GARODNICK: That's an
3 interesting point, and it sounds like the chances
4 that men, male-owned businesses would file for a loan
5 in that first instance and be rejected would probably
6 be around the same rate as women-owned businesses,
7 but your point is that if it's a matter of
8 supplementing or going back and following up,
9 etcetera, that's where the differentials tend to
10 exist in your experience. Is that correct?

11 RACHEL VAN TOSH: That's what we've seen
12 as a big barrier for women is that they don't
13 necessarily feel prepared, and if they end up being
14 rejected they don't go back and tend to use their own
15 capital. So, that is what we were trying to solve
16 through our credit and funding classes.

17 CHAIRPERSON GARODNICK: Thank you. We're
18 going to go back to Council Member Dickens.

19 COUNCIL MEMBER DICKENS: Thank you so
20 much. This is a problem that historically has been
21 around the MWBE program, and that's that particularly
22 when we're talking about access to capital, and
23 that's probably the most critical point for me, and
24 that is that so many of the businesses, the women
25 businesses are put in the name of women and they're

actually men-owned business and controlled, and there's only a name only, and this is an issue I've brought up for the last eight or 10 years. What is being done to implement to ensure that when we look back into the records that we don't look at just the financials, but we actually look into the ownership of the businesses to ensure that the women actually own them, because that's been a very precedence that has been set particularly in my community where the men own it, run it and control it, and they put the women up in order to reap the benefits for the business. So that's a deep concern that I have because it means that the benefits that are spread more deeply and widely and not concentrated on what WE NYC was really created form.

MARIA OSORIO: Sure, I'll just give you a quick background. The changes to Local Law One that were effective in fiscal year '14 included the addition of site visits that were never required by the City of New York. Since we implemented the hiring of field auditors who actually go out and look at the businesses at a surprise, we've increased the number of businesses that actually have been denied certification. We do a deep look at payroll records,

resumes, tax records, so businesses who complain that the process is too long and they're submitting too much documentation isn't exactly to protect businesses that are falsely claiming to be WBE's when they're not. So it's a balance. We cannot expedite the certification process without seeing these documents to actually confirm that the women that are claiming to be owners and control the business actually are. So, site visits was a huge support and help to the City's program. It's something that was done by other entities, but the City of New York and SBS specifically have never received funding to actually do that part of the analysis. And we've also pushed up the number of desk audits. Whenever there's a question on the true owner of a business we first conduct a desk audit where only the owner claiming can come in and answer questions about the business and then we follow up with a site visit, and that has definitely helped minimize any approach to anyone trying to be fraudulent in the process. We've also partnered with the Manhattan DA's office who released the MWBE fraud report the fall before last in late 2014 talking about MWBE fraud and really stopping that from occurring in the contracting

2 world, and we've done presentations with them on the
3 certification process and the increased review of
4 documentation to inhibit anyone from trying to be
5 fraudulent in the process.

6 COUNCIL MEMBER DICKENS: Thank you so
7 much. I'm glad to hear that. I mean because that's
8 been a significant problem. So, thank you.

9 CHAIRPERSON GARODNICK: Thank you, Council
10 Member Dickens. And my last question is about
11 borough-based differentials between the growth or
12 existence of women-owned businesses. From the WE NYC
13 report there were some interesting percentage
14 differentials based on borough with the Bronx being
15 number one in terms of percentage of the borough that
16 were--that had businesses owned by women, and the
17 lowest being Staten Island, 39 percent versus 27 and
18 a half percent. Tell us if you can what we can
19 attribute that to? What's happening geographically?
20 You know, the numbers between the top and the bottom
21 here were not enormous. It was 27 to 39 percent, and
22 the other three boroughs were right smack in the
23 middle, but 39 to 27 is a, you know, enough of a
24 difference to ask a question as to what we attribute
25 that to.

2 RACHEL VAN TOSH: I mean, some of it is
3 overall business growth and density in those
4 boroughs. So, women are increasing at a faster rate
5 than men. So, if growth across the different
6 boroughs is different, you'll see different
7 percentages across the different areas. There was
8 nothing specifically that stood out in the research
9 that we did that suggested that there wasn't a strong
10 community in Staten Island compared to the Bronx.

11 CHAIRPERSON GARODNICK: Okay. Well, I
12 would note that the average sales, however, per
13 borough were also somewhat the inverse of those
14 numbers with the Bronx being 67,000 on average and
15 Staten Island being 106,000 on average, but it's
16 worth anybody interested taking a look at the report,
17 it has more detail there. With that, we are going to
18 thank you for your testimony today. We're going to
19 move onto our next panelist, but we appreciate your
20 time and your presence here today. Again, we wish
21 Uncle Charles a happy birthday, and we'll talk to you
22 soon. We're going to call up Judy Messina and
23 Johnathan Bowles, the Center for Urban Future, and we
24 thank you for your participation. We're going to
25 need a minute just to set up the flash drive here, so

2 we're going to briefly pause and get set up, and then
3 we'll get back into it.

4 [break]

5 CHAIRPERSON GARODNICK: That was much
6 faster than I thought it was going to be. Welcome to
7 the Center for an Urban Future. Thank you for your
8 report, and whenever you're ready you can go right
9 ahead.

10 JOHNATHAN BOWLES: Thank you. Thank you,
11 Chair Garodnick and the Committees. It's really
12 great to be here. I want to also introduce Judy
13 Messina who is the primary author of our Breaking
14 Through report and also acknowledge the real great
15 funding support we got for this report from Capital
16 One. So, I'm Johnathan Bowles. I run the Center for
17 an Urban Future. We've done a lot of studies about
18 the importance of entrepreneurship and small
19 businesses to the City's economy. We've looked at
20 immigrant entrepreneurs. We've done a study about
21 low-income entrepreneurs. We recently did a study
22 about how more--how we can get more of our small
23 businesses to grow into medium-size and large
24 businesses, but it always kind of intrigued us to
25 look at the kind of impact and potential of women

2 entrepreneurs, and so after about a year of Judy
3 leading our research, we published this spring
4 Breaking Through, a report about the enormous power
5 and potential of women entrepreneurs in New York
6 City, and I'll just quickly go over some of the major
7 findings and ideas in the report. So, as the Chair
8 mentioned in some of the statistics at the very
9 outset, women-owned businesses are growing at four
10 times the rate of male-owned businesses over the past
11 five years, and again, this is the most recent data
12 available, although it's through 2012. This data
13 just came out in December, and in this time the share
14 that women entrepreneurs represent for the whole pie
15 of businesses in New York City has really increased
16 dramatically now. Forty percent of all businesses in
17 the City are owned by women and as the Council Member
18 said, New York is way ahead of any other city. You
19 can see here that New York is far and away and ahead
20 of LA, Chicago, Houston, every other city, and the
21 number of women-owned businesses over 400,000. Even
22 Brooklyn alone there are only three other cities that
23 have more women-owned businesses than Brooklyn and
24 that includes New York City. So, outside of New York
25 just two other cities have more women-owned

businesses than Brooklyn. Over the last five years the number of women-owned firms increased by at least 20 percent in nearly every major industry sector, and this is important. I think that we're not just talking very broadly about women entrepreneurs, but they are penetrating so many different sectors of the economy. It is not just one or two things, but there's growth of women-owned businesses in all aspects of the economy. Here's a little bit of indication, if you can see it, where we're seeing growth. Transportation and warehousing up 50 percent, educational services 45, accommodation and food services 45, administrative and support services 62 percent, and here is a slide that really talks about where we see the most women-owned businesses in New York City. So, the healthcare and social assistance sector is number one followed by educational services and administrative and support services. So a lot of services businesses are where we find the most women-owned businesses in New York City, but again, there's significant numbers. Nearly 33 percent or so in a lot key aspects of New York's economy. We thought it was important to look at all facets of the City's economy, and one of the fastest

growing and most important parts of our economy is the tech sector, and I think that our data shows that if you look at the third quarter of 2015 that women are starting a greater share of tech companies than other major tech hubs. So this chart looks at--it shows that 17 percent of all of the venture capital deals in the third quarter went to women, start-ups founded by women. That compares to about 15 percent in Boston and 12 percent in San Francisco. So, I also want to point out that 16.9 percent is still too low. We should be doing better, but when you look at kind of comparison to the other leading tech hubs, New York City is at least in that quarter doing better. And as Judy could elaborate on later on if you're interested, this was really borne out by the interviews we did as well, that so many of the tech entrepreneurs and investors that we spoke to in New York and in other cities really felt like there was a real competitive advantage that New York has with women in tech compared to other places. Women are in a lot of different aspects of tech, digital media, advertising, fashion tech, and so there's a broader base of women starting tech businesses in New York than a lot of other cities. We found in our report

that the Bronx had the fastest rate of growth of any borough when it comes to women-owned businesses, 53 percent over the past five years, but really there was growth all over the place with Manhattan actually faring the worst but still a 22 percent rate of growth. And overall Brooklyn had the most women-owned businesses of any borough in New York City, but every borough was really way up there. But, you know, this kind of gets to the heart of the report. While women entrepreneurs are making an amazing contribution to New York City's economy, we found that there's a lot of untapped potential. Just 37,000, about nine percent of all the women-owned businesses in New York City have paid employees. This is an area of where we could do a lot better. Among the 25 largest cities, New York is near the bottom when it comes to average sales per women-owned business, and just 17 of the 150 largest private companies in the City are headed or were founded by women. I could also say that when you look at kind of the tech companies that really separated themselves that have gotten to the next level in New York City, very few of the fastest growing tech companies in New York are started by women as well. You know, this

points to some of the problems. One of them clearly is access to capital. This is a problem for all small businesses in New York City, no doubt about that. I'm sure every hearing you've had about small businesses this comes up, and we find that women in particular face specific challenges when it comes to financing. In 2014 just 20 percent of the SBA loans in the New York region went to women-owned businesses of the total loans, and only 12 percent of the dollars went to women founders. Even when you look at VC [sic] funding, I mentioned earlier that about 17 percent of all the deals in the third quarter for New York City had a woman founder, but those firms accounted for just nine percent of the total VC money that was given out in that quarter in New York City. So, just 122 million out of about 1.3 billion dollars that quarter. So, you know, there's a lot of other challenges. Our report is, you know, around 60 pages. We go into depth, and Judy can speak to a lot more of those obstacles, but I think that as we kind of point towards solutions, we want to make clear this is not just about equity, it's about opportunity for New York City. You know, as the Council Member and the Chair mentioned earlier, just one-quarter of

the existing 376,000 women-owned businesses with no paid employees, add just a single paid employee over the next few years. We're talking about 94,000 new jobs added to New York City. I should also say that this is a competitive advantage. You know, we often write about opportunities for growth for New York City's economy. Several years ago we did a big study about immigrant entrepreneurs in part because we know that 37 or 38 percent of the City's population are immigrants and there's a lot of entrepreneurship happening. How can we tap that? But when it comes to women, they make up 53 percent of the City's population. Only one other city in the--when you look at the 10 largest cities by population in the US, only one of the other 10 has a higher percentage of women as a share of the overall population than New York City. In New York City, women also make up 49 percent of the overall workforce, and women are making a huge--there are a significant share of the consumer spending and decisions made in New York and in this country. So, this is a real possibility. This is a real potential that could be tapped in New York. There's a lot of good news out there, and I'm sorry that the folks from SBS aren't here, but you

know, there's not only just tremendous organizations, micro-finance organizations, nonprofit intermediaries, but also I have to say that the de Blasio Administration really deserves credit for what they're doing with the WE NYC initiative. We singled them out in the report, and I think they're certainly not the only city in the US an administration is taking on entrepreneurship and trying to support entrepreneurs, but I think that from what we found they really have distinguished themselves among all their peers, and really kind of having a women entrepreneurship initiative. It's a start. They're still making progress. There's more work to be done, but it's really encouraging what they're doing so far. Obviously there's still a lot of work to be done, and our report talks about 20 specific recommendations. I'll spend a couple minutes on a few of them, and we can go further with questions, but you hit at this with one of your questions. I think your first question, Chair Garodnick, and that is develop new initiatives to help women-owned businesses grow. And you know, part of the challenge is it's not easy to hit, you know. This is like, you know, when you were trying to offer services it's

easy to have aspiring entrepreneurs come to a small business solution center or a nonprofit organization or a library, but when you are trying to get existing businesses and help them get to the next level, they're busy running their business and it's really challenging, but it's one thing that we think we really do need to focus on more as a city. Expand awareness of existing programs that help women grow their businesses like strategic steps for growth. We highlighted this in the recommendations of our report. This is a program that actually has really high marks. It's a program that's a similar program that's run in a lot of cities in America. We've got it in a handful of places in New York City actually, but the program that SBS runs, the Strategic Steps for Growth, it only has about 15 people every cohort in the class, and they can hold at least 18 in that program, and they've acknowledged this, and it's a great program, but we want to make sure that the word is out to all the people so that more people know about this so that they're actually turning people away and filling up that class every time. Also, unlike some of the other programs that are run in New York City and elsewhere, this SBS program charges a

2 fee. It's not a huge fee, but we feel like
3 eliminating that fee, if SBS could do that, could
4 really make a difference. You know, with all of the
5 solopreneurs as we talked about in our report, we'd
6 love to see a program that's focused on home-base
7 businesses. How do we strengthen and support and
8 maybe grow home-based businesses? Now, I want to say
9 that not every home-based businesses, not every
10 business, you know, expects to grow. Not every
11 entrepreneur is looking for that kind of growth, but
12 we feel like we can move the needle here and one of
13 the things if we could really focus attention on and
14 provide support services for home-based businesses
15 that it might lead to growing that sectors, and we
16 highlight a program in Virginia that's done just that
17 that helps some home-based businesses transition to
18 having their own storefront and as kind of a tool to
19 growth. Expand export opportunities for New York's
20 women-owned businesses. This is another of our
21 recommendations, and nationally, believe it or not,
22 99 percent of women-owned businesses don't export
23 their sales or their goods to other places, goods and
24 services, and that's certainly not unique to New
25 York, but we have such an opportunity. We're in a

global economy. Women are-- women entrepreneurs are playing a prominent role in a lot of key sectors that actually are exporting. So, fashion, design, a lot of those sectors we could help them grow and get into new markets, and I think we got to look at those opportunities. There's been a little talk earlier in the panel on expanding the number of certified women business enterprises, WBE's, and you know, this is something that to me is really important. You know, government is such an opportunity, government contracts. It can be a spring board to growth for a lot of small businesses, but when you look at the numbers here, we've only got 1,481 certified women business enterprises in New York City. And a, you know, we talked about in the report that there's over 400,000 women-owned businesses in this city, and clearly there's an opportunity to expand this. You look at some of the boroughs. Brooklyn alone with the most women-owned businesses of any borough, only 309 certified women-owned businesses. So, there's an opportunity here. I think a lot of it is outreach, but we can move the needle, and if we get more people certified, there's an opportunity to get more people to actually get contracts in New York City, and that

leads to our next recommendation, and I only have a couple more. And that is, we really think the City should set a goal of doubling the number of female contractors who get contracts by 2020. Clearly the Administration is already taking a lot of steps and has some bold goals in this area. We think they could really move forward with getting more women-owned businesses in to City contracts. I think there's just two more. One is, there's a lot of women entrepreneurs are in childcare businesses. It's not a surprise, but there are real barriers to helping successful childcare businesses to grow. Some state regulations, some city regulations that recently went into effect have made it hard for certified or licensed home daycare centers to open a second location. Obviously, some of this has to do with safety, and we're all for making things extremely safe for our children, but you know, there are some childcare businesses that have such a high regard that there are waiting lists for those services, but it's really impossible or next to impossible for them to open a second location. This is a growth opportunity. We should look at can we ease those restrictions, and you know, lastly, you

know, we think that we should be looking at older women entrepreneurs. In fact I think older entrepreneurs is increasingly important opportunity as we see an aging population in New York City, but one of the more interesting stats from our report was that if you look at the population of New Yorkers over the age of 65, we're talking about 60 percent are women. So as more older people in the City are looking to entrepreneurship we should really focus on women for that opportunity. And--oh, there was one more, and that is we have all these accelerators, incubators and all sorts of small business centers in the City. Might be interesting to pilot one or two of them to have daycare services so women who have responsibilities at home for caring for their children. Maybe if they're in an accelerator or incubator, there's a place for them to have their children cared for there. So, I'll stop there, and happy to answer questions, and Judy is here as well to answer questions. But thank you so much for the opportunity.

CHAIRPERSON GARODNICK: Thank you for your testimony and also for the report, which I think really helped to focus all of our attention on where

2 things stand today, and you anticipated what my
3 question was going to be as I frequently like to do
4 with the Center for an Urban Future. I like to take
5 your 22 or 20 recommendations and then ask you which
6 one or two are the most quickly and easily
7 implementable at a local level. You gave us a, you
8 know, a list--

9 JOHNATHAN BOWLES: [interposing] Take your
10 pick.

11 CHAIRPERSON GARODNICK: Actually, I think
12 a lot of them seemed accessible, most of which did
13 not involve Local Law changes, etcetera, maybe except
14 for that home daycare thing, which I want to talk to
15 you about a little bit. But let's talk a little bit
16 about the new initiatives to help existing women-
17 owned businesses grow. I did pose that question to
18 SBS when they were here. By the way, EDC is still in
19 the room listening just so you know. And the
20 response was that they acknowledge that it can't be
21 all about start-up, but it has to be also about
22 growth, but it sounds like from your recommendations
23 that you believe that the city should be doing more
24 to promote growth, not just start-ups. So, having
25 heard what SBS had to say today about the various

2 networking courses, mentorship programs that are
3 being initiated, how do you think they're doing on
4 that front?

5 JOHNATHAN BOWLES: Well, I think that
6 they're making real progress. I mean, like they
7 mentioned the Goldman Sachs 10,000 business program
8 that they're supporting. I think even the work with
9 mentors is actually something that could lead to
10 growth of businesses, getting women to see that there
11 are examples, that there are things to shoot for of
12 women that have actually gotten to the next level
13 that have been highly successful entrepreneurs can be
14 enormously helpful, and help them avoid mistakes, but
15 also plan for the next level. So, I think that some
16 of the things they're doing are great. I think, as I
17 said, it's hard to help to figure out programs that
18 are geared towards getting businesses to the next
19 level, and even though he's not in the room, Council
20 Member Cornegy's Chamber on the Go Program is
21 actually really important, and I'll speak to it. We
22 did a study, as I mentioned earlier, about how to
23 help more of our small businesses grow into medium
24 size and large businesses, and we really kind of
25 focused on this idea, and one of the things that we

said is, you know, how do we get to where the businesses are, you know, with Small Business Services, because if you're an existing business owner, you might not have the ability to get to even a borough-based small business solution center, and we suggested something like having a team at SBS that would basically rove around the city and have like essentially office hours, like maybe spend a week at a time in different bids. Bids are located all over the city, but the bids don't really have that technical assistance capacity. You know, they're doing sanitation, security, a lot of other really basic services, but they're not necessarily--they don't have the expertise to help a business avoid a problem or get access to financing, but they have that location and the trust of the businesses in that community, and we thought that in that report that we did that maybe SBS has a team that spends time, maybe a week at a time at different bids and is able to provide localized services. They can walk around and really go in, help the businesses, right in their hand, and so we still thing that something like that would be something that SBS should think about, but the Chamber on the Go is kind of that model. You

know, it's like sending a team around the city to help existing businesses. So, I'm sorry he's not here to hear my, you know, high regard for that program, but I do think that we can expand those kind of efforts. I think the Strategic Steps for Growth, as I mentioned, is a real good program. It's specifically focused and they should get credit for doing it and not just SBS, EDC. There are a handful of those kinds of programs in New York City that model. I just think that we can kind of make sure more people are taking advantage of it. Did you have anything to add, Judy?

JUDITH MESSINA: I--just a thing on the access to capital front. It's a little more nuanced, I think, than women just not coming back after being refused loans. Women tend not to go out for loans in the first place at much lower rate than men. The idea of managing risk I think is critical for helping women feel more confident about borrowing money. I spoke to many women who didn't want to borrow money at all even though they knew it could help them grow their businesses faster. There are credit issues for many women as there are for many small business owners and they need to repair their credit before

they can even start to think about getting a loan. Also, women tend to be, and you'll see from the statistics in the report, tend to be in low revenue business, healthcare, services businesses, personal services, hair dressers, that kind of thing. And we talked about why or you asked why the revenues were so much lower, because I think such an enormous portion of women are in low-revenue businesses, and in terms of getting loans and in terms of being able to borrow money and pay it back, that's a tougher row for them hoe than is for somebody who's in a business--a construction business where they're making more money. And they need a track record. So, starting out is tough. Getting money is next to impossible, but once you establish a track record, helping them craft their story to convince a lender that, you know, that they do have a track record, that they can actually pay back the money, that they have a strategy and a plan. Building a strategic plan I think is a big deal also and very helpful for women different [sic] times [sic].

CHAIRPERSON GARODNICK: Let's talk about the--one of your recommendations which was to expand the number of certified women business enterprises.

2 The numbers are pretty staggering when you point out
3 the 118,000 women-owned businesses in Brooklyn and
4 the 309 of them only which are certified. What is
5 the barrier here? Is it a--in order to be certified
6 by the City, why are more women-owned businesses
7 either not applying for or not qualified to be
8 certified?

9 JOHNATHAN BOWLES: Well, it's a great
10 question. I think that part of it is outreach or a
11 lack of outreach and not getting to the right people,
12 and--

13 CHAIRPERSON GARODNICK: [interposing] So
14 it's that they're not applying as opposed to they are
15 applying and not quali--or the qualifications--

16 JOHNATHAN BOWLES: [interposing] I would
17 say it's more that. I think we don't have all the
18 evidence to know how much it is that they're not
19 getting accepted, but looking at those numbers, I
20 think we clearly are not getting enough people
21 applying, and I think, you know, you asked questions
22 with SBS, and I think look, they're trying. I think
23 they're kind of--their outreach to mentors is really
24 important, and I think they're getting--they're going
25 the right direction. I think--you know, to me, one

2 thing--you know, and I've mentioned earlier that we
3 do this big study about immigrant entrepreneurs
4 several years ago, and one thing that became apparent
5 to me when we did that research is that, you know,
6 it's so important your partners in communities, you
7 know? SBS I know is not just trying to do this
8 themselves, and I know that they're working with a
9 lot of partners out there. You know, and they
10 mentioned MOIA. They mentioned the Office of
11 Financial Empowerment, and I know that they're
12 working with Chambers and other places as well, but I
13 think to really hit a lot of the small women-owned
14 businesses you really have to go beyond that. You
15 have to work with all the micro-finance
16 organizations. You have to work with all the
17 libraries, which is a place where a lot of
18 entrepreneurs go. They are in every neighborhood of
19 the City, but you have to also go beyond even the
20 economic development or small business
21 intermediaries. I think there's a lot of
22 gatekeepers, organizations and particularly in
23 immigrant and low income communities that may be the
24 right organization to hit to broadcast these programs
25 and opportunities even though they may not have a

2 small business focus themselves, but they are the
3 kind of gatekeepers in that community, and I think
4 that as an economic development perspective, we've
5 got to look at how do we get to those organizations,
6 because they can have a real great power in
7 broadcasting what's out there. They have the trust
8 of a lot of those businesses. Trust is really
9 important in some of these communities. I would also
10 say that, you know, you have to think about some of
11 the accountants and attorneys. A lot of small
12 businesses and entrepreneurs they're not necessarily
13 going to the Chamber of Commerce, you know, or the
14 micro lender, but they're going to the local
15 accountant in their neighborhood that speaks their
16 language, and they're helping them with all their
17 papers and everything. Sometimes they're getting
18 really bad advice from those accountants, but like we
19 got to figure out how can we get to those people to
20 communicate the opportunities that are there. So, I
21 think it's really just expanding how the outreach is
22 done. I would just lastly say, and maybe Judy has
23 some ideas as well, is that as the City does this
24 mentorship program I'd love to see them do a real
25 focus on making sure that there are mentors in the

2 sectors that get government contracts. So, for this
3 certified women business enterprises, like, let's
4 make sure that there are ample numbers of
5 contractors, general contractors, construction
6 companies that are mentors to other women in that
7 field or aspiring entrepreneurs in that field.

8 JUDITH MESSINA: I talked to many women
9 who didn't even--who didn't know about the program
10 and others who just thought they were not eligible
11 and didn't know how to go about getting
12 certification, and I think the process might be
13 streamlined, might help to streamline for to get
14 certification. Some of the organizations and micro
15 lenders and other business organizations in various
16 communities help women figure this out and help them
17 fill out the application and get--and you know, go
18 through the certification process, but I think it's
19 as Jonathan said a question about making sure people
20 know it's out there and available.

21 CHAIRPERSON GARODNICK: Is there perhaps
22 a more basic explanation for that that the City--I
23 don't know the answer to this, but you can tell me if
24 I'm right or I'm wrong, that the City contracts
25 usually are of a size and scale where a solo-preneur

2 might not be eligible to be able to perform such a
3 contract. I assume that the number of city contracts
4 that exist between New York City and a sole
5 practitioner of anything is zero or close to zero.

6 JOHNATHAN BOWLES: Yeah.

7 CHAIRPERSON GARODNICK: So, is that
8 perhaps the simpler answer to the question?

9 JUDITH MESSINA: Part of it, but there
10 are also that contractor who does get the contract,
11 and so there are vendors down the line that he or she
12 deals with and so if it were possible to bring in
13 women certified businesses down the line where
14 smaller parts of that contract are applicable, I
15 mean, that would also help, and that structure like
16 that or some sort of arrangement like that might be
17 helpful, but you're right.

18 CHAIRPERSON GARODNICK: Okay. My last
19 question, and obviously we would encourage anybody
20 here or watching online to take a look at your full
21 report and all of your recommendations, but tell us a
22 little bit more about the expansion of childcare
23 businesses, because it sounds like there is a clunky
24 bureaucratic obstacle perhaps out there that deserves
25 our attention. I don't even know what the rationale

2 is for whatever it is that we're talking about here,
3 which is keeping a home-based childcare from having a
4 second location. Tell us what you know about this,
5 and let's see what we can do.

6 JOHNATHAN BOWLES: Yeah, my understanding
7 is that--and I should say there are some--there's
8 some really great programs in the City to try to help
9 women start daycare, home-based daycare enterprise,
10 Wedco [sic] in the Bronx, the outreach [sic] center
11 in Brooklyn, a few others, and we heard form a lot of
12 those folks and some of the entrepreneurs themselves
13 about this program. My understanding is that I think
14 it's state OTDA. The Office of Temporary Disability
15 Assistance regulates this industry and recently
16 passed new regulations. I think that the City Health
17 Department then kind of oversees it or does
18 inspections of the daycare centers, but I think it's
19 the state--my understanding is the state OTDA set the
20 regulation fairly recently in the last 18 months that
21 for licensed home daycare enterprises, if it's either
22 impossible or very difficult to kind of establish a
23 second business, and I think it really--there was a
24 couple of high profile incidents where some daycare
25 providers, you know, were unlicensed or that they got

2 into some trouble and they're trying to kind of, you
3 know, make some sense of the industry, but I think it
4 was an overreaction in terms of the regulation.

5 That's about the extent to which I know about it. I
6 know that we heard this from a number of people that,
7 you know, some of these businesses are doing great,
8 have a great reputation, but they're kind of hurt and
9 thrown in with everybody else.

10 JUDITH MESSINA: There are some very
11 successful ones, a lot of successful ones that are
12 grandfathered that had--there's, you know, people who
13 had a daycare on the first floor and an afterschool
14 program on the second floor and a summer camp on the
15 third floor, but that's no longer possible.

16 CHAIRPERSON GARODNICK: Okay. I think we
17 will take a look at this and perhaps talk to you
18 further about it. Thank you very much for the
19 report, for your testimony, and we could probably
20 talk for the rest of the afternoon based on what you
21 guys did. We thank you for it, but we're going to in
22 the interest of time we're going to move on to our
23 next panel. Thank you.

24 JOHNATHAN BOWLES: Thank you very much.
25

2 CHAIRPERSON GARODNICK: And the next
3 panel is Bertha Lewis of the Black Institute and
4 Veronica Harris of the Brooklyn Chamber of Commerce.
5 So, Ms. Lewis and Ms. Harris, when you have a moment
6 come on up and we'll get started. You want to start,
7 Bertha?

8 BERTHA LEWIS: Sure. Why not? Good
9 afternoon. I wish there were more members of the
10 Committee here instead of three white men, but that's
11 alright with me. Three white men is fine. I'm here,
12 of course, on behalf of the Black Institute, and we
13 are a nonprofit action tank that has worked
14 diligently over the last few years to represent and
15 give voice to communities of color. The Black
16 Institute has released a series of reports including
17 Not Good Enough, which is what most MWBE's are told
18 they are, We're Serious and We're Not Alone, as well
19 as our most recent report, Access Denied, and that
20 has to do with access to capital. These are all part
21 of our campaign to improve the climate for women and
22 minority business. The Black Institute is also
23 [inaudible]. We've conducted town hall meetings
24 throughout the five boroughs where we met with
25 members of the communities and we received community

2 feedback relating to the issues faced by women in
3 business. We have met with over a thousand minority
4 businesses. I don't know where the outreach gap is.
5 We're just a tiny organization, and yet we were able
6 to meet with a thousand. So, maybe we ought to talk
7 to SBS about that. I do want to thank this Committee
8 and the Chairman for actually holding this hearing
9 and articulating some of the problems that women
10 entrepreneurs have and for giving us an opportunity
11 to testify. Sometimes people don't want to hear from
12 us, but that's okay. It's imperative that the needs
13 of the people affected by the injustices--and here's
14 the real point, discrimination. These issues are met
15 with full consideration. So, here's what my
16 testimony is going to address, several key points.
17 One, the current state of opportunities for women.
18 Two, capital discrimination, and that's
19 discrimination with a capital D among minority and
20 women-owned businesses. And three, the inefficient
21 and ineffectual policies of this Administration
22 surrounding women and business. This Administration
23 has shown and object lack of interest in aiding and
24 supporting the challenges faced by women-owned
25 businesses. There are a total of 1.1 minority and

women-owned firms in New York State. The number is growing every day and generating a total of over 185 billion in revenue every year. New York City's population of women and female-owned businesses as has been previously stated is over 52 percent. The majority, as you all know, this city is 65 percent minority, and it is a repugnant that an entire group that has proven to be successful against the odds can go under-represented for so long. There are far too little funds, far too little resources and far too much attention paid to this issue. Women-owned businesses and minorities especially are more likely to be denied access to capital and contracts. Thirty percent of firms in New York are owned by women and minorities, but less than five percent of all the City's contracts and dollars are awarded to these firms. Women-owned business is half as likely as one owned by a man to receive a business loan from a bank. Also, late payments and unnecessarily complicated bidding processes regularly drive women-owned businesses to bankruptcy for those lucky enough to get a contract. They don't get paid, and that is a consistent problem and it has been documented. The lack of any real oversight by this Administration

over their MWBE goals and programs ensures that these challenges are going to just go unanswered. There is no one in this Administration whose job it is 24 hours a day and their only job is to have oversight for and promote minority and women businesses. There is no Chief Diversity Officer in this Administration, because this Administration feels as though one person that wears four hats is sufficient, and so that is the most glaring problem that there is. Who has final responsibility, and that's what we think is one of the critical impediments to the growth of MWBE's, so that exclusive responsibility can be placed on a single entity. The painstaking victories of the few city bureaucrats who actually care about women-owned businesses are immediately erased by the indifference of the people who replace them. The City's attempt to placate the problems of women entrepreneurs by creating mentorships cannot be taken seriously if the other underlying issues are not met. No, there is no investment. No, there's no venture capitalist or hedge funds investing especially in women businesses, and there is a solution for loans. We have an exclusive private club of over a dozen banks that are called depository banks. These banks

2 charge us, the taxpayers, over a billion dollars a
3 year just to hold our money, and guess what? They
4 are the usual big suspects. There's not one of these
5 depository banks that holds our money, which is a
6 minority bank, not one. There is no community
7 reinvestment act requirement and definitely no MWBE
8 goals. This club of the biggest financial
9 institutions will not, cannot give you any
10 information on the number of loans to minority and
11 women-owned businesses, least of all to women-owned
12 enterprises. This Administration could require that
13 all the banks in which we deposit our tax payer
14 dollars should stand and deliver some data about
15 access to the fair loans. The City, we think, should
16 look at the pension funds that they have and try to
17 designate at least one percent to MWBE's for real
18 investment. We have financial firms that are
19 minority firms, but guess what? They get 200, 300
20 million dollars to invest in an emerging manager
21 program, and God bless them, but they do not invest
22 in minority and women businesses. That money never
23 gets down to the ground. So, that's--but again, we
24 don't have anyone in this Administration who can
25 oversee this. We introduced legislation, in fact

2 several pieces of legislation in the City Council in
3 2015 to amend Local Law One that would actually have
4 some real effect, but it's been met by indifference
5 by this Council as well as by this Administration.
6 Our position has remained the same. The City Council
7 must take action to remove the barriers for success.
8 The women, New York as a city can falsely support
9 gender equality while it continues to treat women and
10 minority entrepreneurs as second-class citizens, and
11 all the happy talk about programs, belie [sic] the
12 hard cold facts. You have right now, and thank God we
13 have a study here. We're not the only ones studying
14 this, because we have to bring real data. You have
15 certified MWBE's right now. All that certification
16 please keep your eye on the prize. Certification
17 just means that you could, not that you would get a
18 contract from the City of New York, and oh, by the
19 way, the Department of Education is off the table,
20 off the table. We also-- NYCHA, we have the public
21 housing agency that has an abysmal record of hiring
22 MWBE's. A lot of MWBE's will not even apply for
23 certification because they've been through it.
24 They've been through it over and over and over and
25 over again, and going through the certification

2 process gets them nowhere. So, you know, we have a
3 tendency to want to keep MWBE's small. If you're
4 certified, you as the principal can't make more than
5 three million dollars. Really? Three million
6 dollars is spit [sic], but you are purposely kept
7 small so that you cannot bid on larger contracts.
8 So, there's no real help for those who don't register
9 as certified, and so again, we believe as we've put
10 out in our report Not Good Enough and subsequent
11 report Access Denied that there are ways to really
12 get at the problem, call out discrimination, because
13 a lot of this really is discrimination. We talk
14 about income inequality, and we're all for 15 dollars
15 as a minimum wage, but inequality also applies to
16 those that we in the black community call strivers
17 [sic]. I have organized poor people all my
18 organizing life, and the sons and the daughters and
19 the grandsons and the granddaughters or the people
20 that I first organized who are on welfare and maybe
21 lived in public housing, they grew up, they did all
22 the right things, and hey, they want to be little
23 black capitalists. God bless them, but when you find
24 out that you play by the rules and that your race,
25 your ethnicity, and certainly in combination with

2 your gender, you're still discriminated against, then
3 the city is losing out on an opportunity and really
4 the picture for the state of women entrepreneurs in
5 New York City is really--there's no rosy picture at
6 all. It, in fact, it is getting worse and worse, and
7 so we implore you all to at least pass legislation
8 and to at least encourage your colleagues to follow
9 your leadership, Chairman, and actually call
10 attention with more hearings. Call attention to this
11 problem in the budget talks so that we have--when SBS
12 was talking about, "Oh, just tell us about whatever
13 groups there are to reach out to," those groups do
14 need to be funded, and there needs to be designated
15 funding to specifically for MWBE's. We thank you for
16 calling attention to this and taking it seriously.

17 CHAIRPERSON GARODNICK: Thank you very
18 much. Go ahead.

19 VERONICA HARRIS: Good afternoon, Chair
20 Garodnick and in his absence [sic] Mr. Cornegy.
21 Sorry, okay. My name is Veronica Harris. I'm the
22 Director of Community Affairs at the Brooklyn Chamber
23 of Commerce, and I'm also the staffer responsible for
24 MWBE Services there. I'm delivering this testimony on
25 behalf of Carlo Scissura, our President and CEO. The

2 Brooklyn Chamber is a membership-based business
3 assistance organization that represents the interest
4 of over 2,100 members in Brooklyn. The Brooklyn
5 Alliance is our nonprofit arm responsible for
6 economic development for the Brooklyn Chamber. It
7 also addresses the needs of businesses throughout the
8 direct area that we cover. We are very supportive of
9 expanding opportunities for women entrepreneurs, and
10 to this end, provide a wide range of programs and
11 services that directly empower this group of business
12 owners. We relaunched our MWBE Committee in 2012
13 and have been working diligently to address the
14 unique challenges of MWB businesses and advocate on
15 their behalf in an effort to eliminate disparities,
16 some of which Ms. Lewis just expressed and all of
17 which I hear on a daily basis. We relaunched in 2014
18 Brooklyn Connects, our comprehensive procurement
19 assistance program for Brooklyn-based vendors. The
20 focus of this program is to expand business
21 opportunities for vendors, especially minority and
22 women owned firms by providing streamlined
23 information about public contracting and purchasing
24 opportunities still while fostering business to
25 business exchanges and partnerships in the private

sector. Through our New York City Business Solution Center in Brooklyn, which we are the vendors, women entrepreneurs can benefit from pre-business courses, financial assistance and legal services. We provide employee recruitment and training programs, which ultimately saves--all these save businesses time and money. In addition, we enable these entrepreneurs to provide affordable health insurance options for themselves and for their employees through our Brooklyn Health Works and our in-person assistor navigator program. Manufacturing represents a large part of Brooklyn economy and we are very proactive in providing tools for success to emerging and existing businesses in this field. One such resource is the BCC's industrial and manufacturing program, which serves as the go-to resource for those starting or operating an industrial business in Brooklyn. Most importantly we provide almost all of these services mentioned previously in a variety of languages and go directly to business owners with our Chamber on the Go mobile unit. The COTG, or Chamber on the Go, was launched as a pilot program with Council Member Cornegy and the Brooklyn Chamber. In September 2014, we launched that. The goal of this program is to

2 provide assistance to business owners without them
3 having to leave their businesses. We all know that
4 it's hard enough to run a business and then take time
5 out to go get some information to help you do so.
6 The COTG now operated as a citywide program through
7 the New York City Department of Small Business
8 Services. And finally, over the past two years
9 Brooklyn Chamber has been celebrating the
10 accomplishments of women entrepreneurs in a panel
11 discussion during the month of March, Women's History
12 Month. We applaud both communities--I'm sorry. We
13 applaud both committees for holding this forum to
14 evaluate opportunities for women entrepreneurs in New
15 York City. The Brooklyn Chamber remains committed to
16 this effort and would like to work with the New York
17 City Council in this regard. And if I might say,
18 it's become a passion of mine to do this work. I've
19 only been involved over the last three years, but
20 we're trying to make a difference, at least I am, and
21 I thank you for the opportunity to speak today.

22 CHAIRPERSON GARODNICK: Thank you. I just
23 want to follow up on one point. We appreciate your
24 testimony and your patience today, and we do have one
25 last panel. We're going to hear from EDC. And

2 either of you can answer this question, but Ms.
3 Lewis, in your testimony you had honed in one of the
4 questions that I had posed to the last panel which is
5 the number of firms that are owned by women and
6 minorities and the percentage of city contracts that
7 are awarded to those firms, and I'd like to just
8 drill down a little bit more as to what the actual
9 barriers are. For the women-owned businesses one of
10 the stats that we were discussing was that 90 percent
11 of them are solopreneurs. So they have no employees
12 at all. But you were talking about caps on, you
13 know, the overall amount that you can have as a
14 business to be eligible--

15 BERTHA LEWIS: [interposing] Certified,
16 yes.

17 CHAIRPERSON GARODNICK: So, you can't be
18 too big, but the question is whether or not at least
19 for the purpose of, you know, the solopreneurs if
20 that's part of the issue on the other end, which
21 perhaps some of them are too small to qualify-- I
22 don't know the answer to this, so I figured I would
23 pose to you as to whether that is part of the issue
24 and whether we should be focusing our attention on
25 growth, which I think certainly has got to be part of

2 this equation or whether there are other factors at
3 play, and if you want to just address them.

4 BERTHA LEWIS: Well, here's the thing
5 about discrimination, certain barriers and walls,
6 it's like going through a labyrinth, are set up so
7 that you're set up to fail. There are contracts in
8 the City in which you must be under 100,000 dollars
9 because otherwise you have to have a competitive bid,
10 and so even though a solo-preneur could fulfil that
11 contract, they never get a chance to do it, because
12 the bigger companies, and dare I say companies that
13 are mainstream by males, will get that contract every
14 time. There's a political element here, too. Let's
15 just tell the truth. The bids and the RFP's, you
16 know, on many occasions, and this is what, you know,
17 when you deal with MWBE's directly they are written
18 specifically to go to a specific firm so that you
19 can't even compete because you'll never meet the
20 qualifications. You are cut off. So you're only
21 going to get anything like maybe it's 20,000 dollars
22 or something like that. Again, the other thing is
23 you don't get a chance to compete because you don't
24 know that there's even an opportunity to provide
25 paperclips, you know, or that you in fact could do

the accounting work. There are many--I mean, we make a way with what you call so-called solopreneurs. They might not have folks on their payroll paying, you know, all of the benefits and the fringe and all like that, but they will go out and, in fact, couple up with and do business with other minority firms in that kind of economy, but that's not given any credence, because they never get a chance to connect. We have seen this, and this is not recent. Every comptroller who audits the City's contracts going back, John Lieu, Bill Thompson, Alan Hennessey [sic], has the same problem. This has been going on. So, I don't want to sound like a certain presidential candidate, but the system is rigged and it is rigged against minorities, and imagine what you're up against if you're a minority woman. So one of the things that we need to get past is to revamp this competitive bidder farce that knocks out more women entrepreneurs than almost anything else. So, if you have solopreneurs--I wish SBS would, you know, go and do site visits there so you can see that they struggle against the odds. We call them solos because they don't have those folks, but they do hire people from the community and other people of color,

2 and if more site visits would be conducted you would
3 see that they work from home or they have an office
4 space, and they're perfectly capable of doing this.
5 That is no excuse.

6 VERONICA HARRIS: If I might just piggy
7 back, as a matter of fact we had a MWBE Committee
8 meeting this morning. Most of our committee members
9 are women. Most of them are women of color. I've
10 heard two nightmare stories about bidding for a
11 contract, trying to get information from the
12 perspective agency, banging your head against the
13 wall being sent here, there and everywhere to
14 ultimately find out that the contract that they were
15 bidding for not only could they not proceed because
16 it had already been awarded, and they were supposedly
17 in the midst of this process. It was--this young
18 lady went to at least half a dozen agencies before
19 someone finally just said that's already been
20 awarded. So these are the kind of issues that become
21 very frustrating, defeatist. You know, you're
22 working hard enough, and I remember the other--the
23 folks from this center saying that, "Why don't women
24 get more money?" A lot of the issue has to do with--
25 and why are the percentages higher for men?

2 Basically, men are freer to do their business than
3 women tend to be, because wherein a man can leave his
4 home and have somebody take care of the kids and
5 whatever else has to be done, a woman has to do that
6 and manage a business. Most of the times these are
7 single parent homes, so it doubles the angst about
8 doing it. So there are a lot different reasons. I
9 have a room full of women that would be happy to
10 speak to you about all of these issues, and I will
11 make myself available if I can be of any assistance.

12 BERTHA LEWIS: But going to the lowest
13 bidder, just that thing, when you--there are
14 mainstream companies of course that will always be
15 the lowest bidder, but then what happens? We are
16 gathering data, you know, which says a large
17 proportion, a percentage of those who get that
18 contract turn around and now all of a sudden, oh, we
19 have to charge more or it's going to cost more. So
20 they deliberately underbid the minority and women
21 businesses and then turn around, and the City allows
22 this. And it comes back with the same price or even
23 more than what the MWBE bid, and instead of the city
24 saying, "Oh, really?" you know? You know we've seen
25 these contracts with these, you know, scandals that

we've had. So that's another reason. You know, it has nothing to do with the solo-preneur. It has everything to do with some companies being to underbid because of this lowest bid rule, and also the way that the bid or the RFP is written that purposely it's like some lobbyist comes in and says, "ABC Corp is this, this, this, and this, and this is what we're looking for." So, I know we want to think that everyone's wonderful and good and people don't do things intentionally, but you know, please do not rule out just blatant discrimination and blatant red-lining by institutions of capital to especially women businesses and especially minority women businesses.

CHAIRPERSON GARODNICK: Okay, I got it.

Well, thank you, and I accept that invitation, by the way.

VERONICA HARRIS: Absolutely.

CHAIRPERSON GARODNICK: If you would invite me, I would love to have that meeting and hear directly from your members and hear about their frustrations and see about what we can think to do about that.

BERTHA LEWIS: We'll bring our members, too.

2 VERONICA HARRIS: Be glad to reach out
3 tomorrow.

4 CHAIRPERSON GARODNICK: Good, good.

5 VERONICA HARRIS: Absolutely.

6 BERTHA LEWIS: We'll do it jointly.

7 VERONICA HARRIS: We're working in
8 tandem.

9 CHAIRPERSON GARODNICK: Good, I'll look
10 forward to that. Thank you. Thank you for coming,
11 and now our last panel is a very small panel. It's
12 Bonnie Kim [sic], Bomi Kim, sorry, from EDC.
13 Welcome.

14 BOMI KIM: Good afternoon. Thank you so
15 much. My name is Bomi Kim. I am the Senior Vice
16 President at EDC and I run the Opportunity MWB
17 Program which is EDC's Minority Women Business
18 Program. And I apologize for not having a written
19 testimony. We were not planning to testify today,
20 but we do want to talk a little bit about--because
21 there's been lot--during a lot of the testimonies
22 there was a talk a lot about in terms of access to
23 capital. I just wanted to sort of highlight some of
24 the issues that, you know, EDC has in terms of
25 dealing with those issues. We understand that first

of all any small business' access to capital is difficult and it is--it's a barrier in terms of their growth, and we have tried to address some of that on a couple of different ways. For the contractors, we have a program called Kickstart Loans, which is a program that provides funding for contractors working on any public sector project to provide both mobilization capital as well as cash flow assistance while they're in the project, meaning if they run into some problems and they need to meet their cash flow in terms of maybe payroll or supplies, they have access to this funding, and this is administered through Bob [sic] Capital, which is a CDFI, and we lend up to 250,000 dollars, and these are meant to be short term loans. So we expect the loans to be, you know, outstanding anywhere within six to nine months. So on the other end, one of the things we've heard and especially from EDC's perspective because we do do a lot of real estate transactions, that MWBE's, minorities and small business developers do not have access to some of the EDC's real estate opportunities. So, one of the ways that we're trying to deal with that is that we created a fund, 10 million dollar fund, that we just announced called

Emerging Developer Loan Fund, and this fund is really to help small, minority and emerging sort of developers to access the funding that they need to complete their capital staff when they're pursuing real estate projects, and this fund would be available to for both construction and--for predevelopment as well as construction acquisition costs, and it's basically a gap funding, because as you know the banks are that you have to be--you know, they will lend up to let's say 60 to 70 percent of the total project cost, and then maybe the developer comes in with their own funding of 10 to, you know, 10 to 15 percent, but there's always going to be the gap. So, it could be anywhere between 15 to 30 percent gap that they have to fill. If you're a small developer, you are--you may not have access to filling that gap in an affordable way. You know, if you are related you could do EB5 or you could--there's other high net worth [sic] and ways for them to do it, but if you're a small developer, that's not going to be enough access to you, and what you end up doing is you obviously going to your family and friends, or you're going to mezzanine [sic] lending, which could be very expensive. So, this Emerging

Developer Fund would fill that gap. We just announced it. We probably launched a program in July, but we do have a lender and originator that we have selected and it's basis [sic] investment, which is a MWBE commercial real estate investment group, and they're going to be helping us deploy the funds. So, I think that's basically it. I mean, we do have a number of other programs that are--that gear toward minorities and also women businesses, but thank you so much.

CHAIRPERSON GARODNICK: Thank you for that, and we're going to let you have the last word today. We appreciate your being here and listening throughout the course of the afternoon, and with that, we thank all participants today. I wanted to give a special thank you to members of the Council staff, my own staff who worked on this hearing, Alex Pollenoff [sp?], Amelaka Jibali [sp?], Rachel Harris, Davis Winslow, and Howie Levine from my office. We thank you for your efforts today, and we obviously have some follow-ups, and I'm glad we had such a productive conversation this afternoon, and with that, we are adjourned.

[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 May 13, 2016