

TESTIMONY

BY

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NEW YORK CITY

DEPARTMENT OF SMALL BUSINESS SERVICES

BEFORE

THE COMMITTEE ON FINANCE & THE COMMITTEE

ON SMALL BUSINESS

OF THE

NEW YORK CITY COUNCIL

FRIDAY, MAY 14, 2021

Good afternoon Chair Dromm and Chair Gjonaj and members of the Committees on Finance and Small Business. My name is Jonnel Doris and I am the Commissioner of the New York City Department of Small Business Services (“SBS”). I am joined by SBS First Deputy Commissioner Jackie Mallon and members of my senior leadership team.

At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting them to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.

SBS’s Fiscal Year ‘22 Executive Budget is \$317.6 million with a headcount of 323 employees. Of the \$317.6 million, 32% or \$101.6 million is pass-through funding, which is not spent or managed by SBS. This includes: \$40.3 million for the New York City Economic Development Corporation (“EDC”), \$46.2 million for NYC & Company, and \$15.1 million for Governors Island. The remaining \$216 million, or 68% of the Fiscal Year ‘22 Executive Budget, is allocated for SBS’s programs.

To meet the challenges of the pandemic, SBS created a small business recovery plan designed to jumpstart the economy in the short-term, while laying the groundwork for sustainable small business recovery in the long-term. This small business recovery plan, developed in collaboration with business leaders, industry associations, and government partners, was based on four strategies to ensure an equitable, city-wide economic recovery: 1) support business innovation to increase revenue, 2) equip entrepreneurs to adapt and lower operating costs, 3) foster close collaboration with

businesses to cut red tape, and 4) promote equitable economic growth and support diverse businesses of the future.

During the pandemic SBS launched 28 new small business initiatives, our staff guided over 60,000 calls through our hotline, hosted nearly 700 webinars with over 52,000 attendees, and connected over 5,000 businesses to more than \$147 million in city, state, federal and private funding. Through our 'Fair Share: PPP' program SBS provided technical support to 4,200 businesses as they applied for over \$300 million in PPP funding.

Now there is a new level of optimism and hope in the City as New Yorkers are protecting themselves, their families, and others by getting vaccinated. Covid-19 cases are falling dramatically and the city is re-awakening to a new renaissance for business growth and creativity. Thanks to the Council's support, outdoor dining and Open Streets broadens the landscape of street activity, bringing new energy and vibrancy to our neighborhoods and enlivens city streets. And with the subway's return to 24-hour service next week, New Yorkers will be able to reach each of these new and unique experiences, enjoying different foods, shopping at neighborhood stores, and connecting with each other again.

At SBS we plan to meet this optimism and growth with support for businesses and jobseekers so they are poised to take advantage of the city springing back to life. To do

this we are dramatically expanding our services and will infuse \$200 million more dollars directly into the hardest hit small businesses through direct grants and loans.

We are certain that New York and its small businesses will come roaring back this summer. But as we've seen throughout the pandemic, if inequity is not addressed it can quickly spiral, and gaps can broaden. SBS's \$100 million grant fund and \$100 million loan fund are designed to address this inequity and help businesses keep pace with the recovery. \$50 million in grants will go to the hardest hit sectors like hospitality and \$50 million will target small businesses in low- and moderate-income (LMI) neighborhoods. The \$100 million in loans will go to underserved businesses helping them access capital to invest in their business and meet their changing needs.

Expanding our Avenue NYC grant by \$1.2 million will give new LMI neighborhoods the opportunity to assess and revitalize their commercial corridors and streetscapes. This dedicated three year investment makes neighborhoods better for those that live there and also draws people from other parts of the city.

Returning and newly launched businesses will also need help navigating the opening process, so SBS is adding \$5 million in support services to help them cut red tape as they manage requirements, regulations, licenses and general questions.

We're also boosting our Commercial Lease Assistance program with an additional \$10.4 million to help business owners with free legal services. This will provide much

needed technical support with signing, amending, or terminating leases and dealing with disputes.

Businesses also need a supply of workers to grow into the recovery and fuel the opportunities of tomorrow. Apprentice NYC receives a \$1.5 million expansion which gives new workers the chance to learn while earning and build careers in healthcare, food service, tech, or manufacturing. The Career Pathways program provides \$2.5 million more for training underserved and underrepresented populations in web development, data analysis, and nursing. Hire NYC Construction Careers receives \$1.5 million to connect NYCHA residents and low-income New Yorkers to real family-sustaining wages. The program moves trainees through valuable pre-apprenticeship training and leverages the city's capital construction projects to maximize the numbers entering the trades. With these boosts to skill-building programs, businesses will have more access to the talent they need by tapping and elevating the resources we have right here at home. And New Yorkers who have struggled with unemployment through the pandemic will have a real opportunity to build a career in a growing industry.

SBS will continue to innovate and adapt to meet the changing needs of the recovery and prepare for the opportunities of the future economy. But let me be clear, the recovery is far from over and there will be many challenges ahead and more support will be needed.

We stand ready with new tools at our disposal and with the excitement that our re-opening city brings to fuel our work. Of course, none of this would be possible without

the incredible staff at SBS. I can't thank them enough for getting us to where we are today. I also want to thank the Council for your partnership throughout this difficult year. I look forward to your continued thoughts and feedback as we strive to ensure the city comes back stronger, more vibrant and more equitable than ever.

Thank you for the opportunity to testify today and I am happy to answer any questions you may have.