



**TESTIMONY**

**BY**

**COMMISSIONER KEVIN D. KIM**

**NYC**

**DEPARTMENT OF SMALL BUSINESS SERVICES**

**BEFORE**

**THE COMMITTEES ON SMALL BUSINESS AND FINANCE**

**OF THE**

**NEW YORK CITY COUNCIL**

**TUESDAY, MAY 16, 2023**



Good afternoon, Chair Menin, Chair Brannan and members of the respective Committees on Small Business and Finance. My name is Kevin D. Kim, and I am the Commissioner of the NYC Department of Small Business Services (“SBS”). Joining me today are SBS’s First Deputy Commissioner Jackie Mallon and Executive Deputy Commissioner Dynishal Gross, along with members of my senior leadership team. I am pleased to appear before you today to offer my testimony on SBS’s Fiscal Year 2024 (“FY24”) Executive Budget.

### ***SBS Overview***

**SBS’s FY24 Executive Budget is \$197.4 million with a headcount of 328 employees, 22 higher than at the beginning of Mayor Adams’ Administration.** Our budget includes \$85.3 million in pass-through funding to other City entities, including the NYC Economic Development Corporation (\$44.4M), NYC Tourism + Conventions (\$21.4M), and Governors Island (\$19.5M). We serve as a conduit to these entities, and thus, do not spend or manage any of these funds.

**SBS’s budget is comprised of the remaining \$112.1 million which is allocated to programs and services that connect New Yorkers to good jobs, create stronger businesses, and build thriving, vibrant neighborhoods.** We advance this mission daily through the work of our four main divisions: Division of Business Services (“DBS”), Division of Economic and Financial Opportunity (“DEFO”), Workforce Development Division (“WDD”), and the Neighborhood Development Division (“NDD”).

### ***New York City is Back***

Under Mayor Adams’ leadership, and with support from Chair Menin and members of these committees, SBS is proud of its contribution to our city’s





economic comeback. According to EDC's [latest economic report](#), tourism spending is at **110 percent** of pre-pandemic levels, **more than 30,000 new businesses** have opened in the last year, and as of April, New York City has **recovered 99.7 percent** of private sector jobs – a figure once predicted to take until 2025 or later.

**As the Mayor says, New York City isn't coming back – we are back! And SBS's FY24 Executive Budget includes many important initiatives that will continue to strengthen our economy for years to come.**

### ***Small Business Month***

Mayor Adams declared May the first-ever **NYC Small Business Month** – a time to celebrate the over 200K NYC small businesses that make our city the greatest in the world. This month, SBS and dozens of City agency and community partners have joined together to produce more than 50 events showcasing our dynamic commercial districts, getting the word out about our free services, and encouraging New Yorkers to shop local.

Small Business Month is a time to also highlight the achievements we have made as a City, and as an agency. For example, our DBS division last Fall launched our NYC Business Express Service Team ("NYC BEST") to save business owners time and money by providing one-on-one assistance to avoid violations, and quickly obtain permits and licenses. **Mayor Adams, Chair Menin, Council Member Lynn Schulman, and I proudly kicked off Small Business Month by announcing that NYC**





**BEST assisted over 2,200 unique businesses to avoid more than \$22 million in potential fines and violations in this last year, alone.**

A prime example of an **NYC BEST** success story is that of Leidy Cardona, owner and operator of **Leidylicious Cakes**. As a first-generation Colombian immigrant, Leidy began baking at the age of nine. She worked with NYC BEST since January to quickly obtain permits and licensing from various agencies to open her wonderful bakery.

Leidylicious Cakes is also one of New York City's more than 10,000 certified Minority and Women-owned Business Enterprises ("M/WBEs"), with whom SBS's DEFO division works to connect to government contracting opportunities. In FY23 to-date, SBS certified and recertified more than 2,300 M/WBE firms. DEFO also works directly with M/WBEs to increase their business capacity, access affordable financing, and compete for and win government contracts, leading to a record-high City spend with M/WBEs of nearly \$1.4 billion in FY22. **Of the M/WBE firms that won contracts subject to Local Law 1 in FY22, approximately three-quarters had utilized an SBS service on their path to working with government.**

In addition, as part of Small Business Month, SBS is hosting an M/WBE symposium at our offices today, with over 200 M/WBEs registered to attend, to prepare M/WBEs to capitalize on new opportunities provided by the City's recently expanded Non-Competitive Small Purchase Method. This is just one way we are working with our close partners at the Mayor's Office of Contract Services and the Mayor's Office of M/WBEs to achieve Mayor Adams's aggressive goal to award \$25 billion in contracts to M/WBEs by the end of FY26.





One of the challenges facing businesses today is in recruiting employees. SBS's WDD division works daily to connect New Yorkers to new employment and job training opportunities through our 18 Workforce1 Career Centers. In FY22, we connected New Yorkers to 25,000 jobs with an average wage of \$18 per hour. Already in FY23, we have served 75,000 New Yorkers with resume help, honing interview skills, and job searches, putting us on track to reach our annual goal of 25,000 job connections once again. **We are excited to host a major career fair in the Bronx on May 22nd and invite the Council to join us and share our Workforce1 resources with your constituents.**

Our NDD division oversees and guides our network of 76 Business Improvement Districts ("BIDs") which together make up nearly 300 miles of commercial corridors. **On May 9th, SBS celebrated the first-ever NYC BID Day to recognize the extraordinary impact of BIDs on our neighborhoods and commercial corridors.** For example, in FY22, BIDs collected 4 million trash bags, removed 440,000 instances of graffiti, maintained 176 public spaces, and helped draw over 30 million people into commercial corridors through public events.

In FY23, NDD deployed several new grant programs, including awards of nearly \$5.3 million to support the formation of new BIDs and strengthen the operations of our smaller BIDs, along with \$2 million to lift-up merchants' associations. We also awarded \$3.8 million to 24 community-based development organizations working in low-to-moderate income neighborhoods through our longstanding programs, Avenue NYC and Neighborhood 360°. **SBS's FY24 Executive Budget furthers our work with BIDs and community-based development organizations with a \$1.5 million expansion of Neighborhood 360° to create new, inventive lighting projects – addressing public safety, quality-of-life, and drawing visitors to shop and spend in their neighborhoods.**





careers  
businesses  
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**At SBS, every month is Small Business Month and we believe that every day is an opportunity to help more New Yorkers access our free services.** Our new agency-wide outreach team has been pounding the pavement to reach over 6,000 New Yorkers in the last year at more than 200 events, including dozens of business roundtables and mobile outreach events. Just last Thursday, our team partnered with the Public Engagement Unit and the Queens Chamber of Commerce to promote our business resiliency services to nearly 300 local businesses.

### ***Agency Initiatives***

We believe that every dollar a small business spends on a penalty is a dollar that could have been invested in staff or passing along savings to customers. That's why we are pleased to work with Chair Menin and the Council to advance **Intro 845**, which implements Mayor Adams's **Small Business Forward** initiative and aims to save small businesses millions per year. We look forward to seeing this effort pass into law.

**Today, the work of Small Business Forward continues through the development of the NYC Business Portal**, a one-stop-shop for local entrepreneurs to navigate multiple City agencies as we continue to make NYC a "City of Yes" for small businesses, **and Mayor Adams' Small Business Advisory Commission ("SBAC")**. For example, SBAC and SBS recently worked with the Department of Sanitation to ensure a 30-day warning period for businesses in the implementation of the new curbside trash pick-up rules. This gave businesses time to prepare for, and comply with the new standards, that will help keep trash off our streets.



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Last, but certainly not least, earlier this year, SBS successfully rolled out the NYC Small Business Opportunity Fund. The fund — made possible by a historic public-private partnership between the City of New York, Goldman Sachs, Mastercard Center for Inclusive Growth, and eight community development financial institutions (“CDFIs”) — is the single largest public-private loan fund directed to small businesses in the City’s history with a market-leading interest rate of four percent. As a credit to our Outreach Team, SBS deployed dozens of staff and volunteers, going door-to-door to over 500 businesses in less than two weeks, including over 100 businesses in the Bronx on the day of the announcement.

### ***Closing Remarks***

In closing, we at SBS are dedicated to fulfilling Mayor Adams’ clear and bold economic agenda, which is based on equity and inclusivity, and with small businesses leading our recovery. I look forward to our continued partnership with this Council and welcome any questions you may have for me or my team.

Thank you.