

TESTIMONY

BY

COMMISSIONER DYNISHAL GROSS

NYC

DEPARTMENT OF SMALL BUSINESS SERVICES

BEFORE

THE COMMITTEE ON SMALL BUSINESS & ECONOMIC

DEVELOPMENT

OF THE

NEW YORK CITY COUNCIL

THURSDAY, JANUARY 30, 2025

Introduction

Good afternoon, **Chair Feliz**, **Chair Farías**, and members of the committees on small business and economic development. My name is **Dynishal Gross**, and I am the Commissioner of the Department of Small Business Services (“SBS”). I am joined today by Haris Khan, Acting Chief of Staff, and Natasha Joseph, Assistant Commissioner for Government Navigation and Regulatory Reform. We are pleased to be here today to discuss the ways SBS supports small businesses navigating legal and regulatory challenges.

The Blueprint for Economic Recovery

Nearly five years ago, our city faced one of its most difficult periods. A global pandemic and ensuing economic crisis resulted in the loss of thousands of small businesses and nearly 23% of New York City’s private jobs in the span of two months. Businesses are integral to every aspect of city life. They contribute to the social safety net through taxes, provide essential goods and services, create jobs that foster economic mobility, and enhance neighborhood vibrancy and public safety. Their presence strengthens community well-being and resilience.

At the start of 2022, the Adams administration responded to the post-pandemic impacts with a robust Blueprint for Economic Recovery which included historic investments, support for our commercial corridors, and the launch of new programs aimed at expanding access to low-cost capital for small businesses. One such program, the NYC Small Business Opportunity Fund awarded more than **\$85 million** in capital to **over 1,000 small businesses**. Our Commercial Lease Assistance program, which was launched in 2018, was baselined under the Adams

administration. Commercial Lease Assistance was critical during the pandemic in helping businesses negotiate leases and repayment plans for those struggling to meet their commercial rent obligations.

The pandemic also prompted a critical reassessment of how city government itself can become a barrier to entrepreneurship and economic growth. Within his first week in office, Mayor Adams signed Executive Order 2, also known as “**Small Business Forward**”, charging the city’s regulatory agencies with reviewing their most common violations and identifying reforms that would reduce the regulatory burden on small businesses. Through this effort, the Adams administration identified **over 100 reforms** to reduce fine schedules, create cure periods, and issue warnings to first-time violators not endangering public health or safety, saving small businesses more than **\$8 million per year**. These savings would not be possible without the support of the City Council through the passage of Local Law 151 of 2023.

Through Executive Order 15, Mayor Adams also launched the **Small Business Advisory Commission**, or “SBAC.” This advisory council composed of small business leaders and community stakeholders from across the five boroughs is tasked with proposing further opportunities to cut red tape and improve business services. SBAC has successfully advocated for changes to the administrative rulemaking process, informed enhancements to SBS’ outreach strategy, and its members regularly give the administration input concerning upcoming city, state, and federal policies.

In 2022, SBS launched the NYC Business Express Service Team, also known as NYC BEST, to work one-on-one with small business owners to help them get their licenses and permits faster, understand regulatory requirements, and avoid fines and fees. The NYC BEST team has already helped small businesses save **\$42 million** since the start of the administration.

Despite tremendous progress, we know that many small businesses continue to struggle and need our support. While the city has seen four consecutive quarters of declining storefront vacancies, small businesses in the central business district and parts of downtown Brooklyn still experience high turnover and persistent vacancies. That's why we are committed to finding ways to reduce burdens on small businesses.

Since becoming SBS Commissioner, I have made it a priority to visit as many council districts as possible and hear directly from business owners, community leaders, and our local elected officials about evolving corridor-specific challenges. I look forward continuing our collaboration to support small businesses and advance reforms that will create a more supportive environment for small businesses across the city.

We know there are three bills of interest for today's hearing that seek to address business challenges.

Proposed Legislation

Intro 449 calls for the creation of a commercial landlord watchlist based on tenant harassment cases, building violations, and SBS commissioner discretion. However, our analysis

of the commercial tenant harassment law found fewer than 30 cases heard by the New York Supreme Court, indicating insufficient data to support the creation of an annual watchlist. Additionally, building violations may not be useful as business-owners can be at fault for those types of violations.

As a non-regulatory and non-enforcement agency, the proposed bill also conflicts with many of our ongoing programs and initiative, including the oversight of the city's 76 Business Improvement Districts (BIDs). We welcome further conversations with bill sponsors to find other ways of addressing commercial tenant harassment.

Intro 1082 calls for a study on the costs associated with opening and maintaining a small business. Our department is committed to reducing small business costs by helping entrepreneurs navigate the city's regulatory landscape, manage startup expenses, and identify potential savings through programs like the NYC BEST team, the Commercial Lease Assistance Program, the MyCity business portal, and our business incentives estimator. Nonetheless, the requirements of the bill would be difficult to accomplish as costs vary significantly for business-owners depending on their business type, business location, market conditions, and other case-specific factors. We are happy to have further conversations with CM Narcisse to improve our most relevant services.

Intro 1132 calls for an annual analysis of violations issued against small businesses by geography and targeted outreach based on any disparities. While we are unable to conduct such annual studies without increased staffing and technology capacity, we are happy to deploy our

business outreach staff to any neighborhoods of interest to the City Council, separate from our promotion efforts in all neighborhoods.

Continued Partnership with City Council

We are grateful for the City Council’s partnership in service to our small business community, from the passage of the “Small Business Forward” package to the historic “City of Yes for Economic Opportunity”, together we are building a city that wholeheartedly welcomes entrepreneurship and small businesses.

We recognize that your offices are on the frontlines, assisting New Yorkers every day. Thank you for referring cases our way—we take every request for assistance seriously, whether it comes through one of our seven walk-in Business Solutions Centers, the SBS Hotline, the MyCity Business site, or through your district offices. We ask each of you to encourage small business owners to reach us to access our free services.

Thank you. We look forward to your questions.

Thursday, January 30th

NYC Hospitality Alliance's Testimony to the NYC Council Committee on Small Business and Committee on Economic Development on [Oversight: Legal and Regulatory Challenges Facing Small Businesses](#)

The NYC Hospitality Alliance is a not-for-profit association representing and serving thousands of restaurants, bars, and nightclubs across the five boroughs. We submit the following 7 recommendations for important regulatory reforms, including an additional 6 recommendation to improve to the new Dining Out NYC, outdoor dining program.

- 1. Community Board and 311 Reforms:** Community Boards play a key role in liquor and outdoor dining licenses, which are vital to the success of bars and restaurants. But appearing before Community Boards has become too bureaucratic, often involving confusing procedures, lengthy application forms, strict deadlines, and outsourced resident outreach requirements. People starting a new business must be treated fairly at Community Boards. There must be reforms that reign in the Community Board bureaucracy and increase representation from small business owners and pro-hospitality residents, so that each Community Board's procedures are sensible, and their actions reflect the interests of the entire community. Additionally, there should be penalties against individuals who make repeated, false 311 complaints to harass businesses.
- 2. Getting Scaffolding (*Sidewalk Sheds*) Down:** These structures protect people from building construction and falling debris, however, scaffolding left up for long periods harms restaurants and bars. The effects range from losing business, a reduction of employee hours and layoffs, it creates unsightly conditions and invites problematic behavior and is a factor in some businesses closing. Reforms such as time limits on scaffolding, enhanced inspection oversight, aesthetic improvements, and financial support for affected businesses, among others are essential.
- 3. Labor Law Compliance Support:** With New York's frequent changes to overly complicated labor laws, small businesses face growing operational burdens, legal and financial risks. The creation of a 24/7 hotline providing free legal counsel to businesses, so they save money on legal fees, along with a guarantee that businesses following this advice won't be held financially liable for violations should be established.
- 4. Outdoor Dining Improvements:** The city's outdoor dining program should be improved by allowing enclosures on sidewalk cafes in colder months, allow for a year-round roadway café option, restoring pre-pandemic sidewalk café clearances for more seating, and making technical changes to streamline the process and reduce costs for restaurants. (SEE BELOW FULL LIST AND DETAILS OF REFORMS)

- 5. Reducing Fines and Tax Reform:** Continue to reduce unnecessary fines on small businesses and create a regulatory environment focused on education and training first, with fines and penalties as a last resort. Permanently repeal the unfair New York City only imposed Liquor License tax that is not levied on businesses elsewhere in the state, but only on licensees in the five boroughs, and repeal of the unjust Commercial Rent Tax for storefronts like restaurants and bars that is levied on many high rent burdened businesses.
- 6. Streamline Permitting and Licensing:** Continue to cut red tape and reduce government bureaucracy, helping restaurants, bars, and nightclubs open and expand faster—with fewer delays, less hassle, and lower costs.
- 7. Fix OATH's broken remote hearings system.** The Office of Administrative Trials and Hearings was established by the City Council as an impartial administrative court to adjudicate agency summonses. During the pandemic, OATH understandably transitioned to remote hearings. However, these remote hearings have now become mandatory and permanent, creating significant barriers for small businesses. Currently, respondents must navigate a cumbersome process: emailing a specific address within a narrow window (3–7 days before the hearing), obtaining a PIN, and using it to access a phone line. This system is fraught with issues, often resulting in increased defaults, costing businesses real money. OATH must reform its practices to allow respondents to attend hearings on the date printed on their summons without unnecessary obstacles.

6 Dining Out NYC Reforms

NYC Hospitality Alliance's proposes 6 reforms to create the best and most inclusive outdoor dining program in the county. These reforms promote alfresco dining, support local restaurants, generate tax revenue for New York, and create jobs.

- 1. Year-round Roadway Dining Option:** One of the key challenges faced by small restaurants across the five boroughs is the seasonal only roadway dining option. The construction and storage costs associated make it too expensive and cumbersome for many restaurants. To address this issue, the city should allow roadway cafes that meet specific standards to remain open year-round. For others, the city should provide winter storage for the streeteries since these restaurants are paying the city fees for participating in the outdoor dining program.
- 2. Sidewalk Café Enclosures:** Restaurants pay annual fees for sidewalk cafes so they should be allowed to enclose them during the winter months using canvas, acrylic and glass vestibule style coverings to keep their customers and workers warm and protected from the elements of weather.
- 3. Clearances:** The clearances requirements for sidewalk cafes should revert to the uncontroversial decade's old standard of half the sidewalk width or eight feet, whichever is greater. The new requirements reduced the number of seats many restaurants were allowed to have for years. Also, the way certain required clearances are measured should be changed to maximize allowable seating while preserving pedestrian clear path (e.g. measure to the tree trunk when tree beds are flush to grade).

4. **Application Process:** The online application process should be upgraded to allow features like letting restaurants save partially submitted applications to return to complete so they don't have to be filed at once. The online only application option has also deterred some small restaurants from applying due to its complexity so the city should provide an in-person option to apply like they used to.
5. **Scaffolding:** Scaffolding by definition is temporary. Therefore, scaffolding put up above a sidewalk café must ensure its pedestrian clearance requirements and not prevent or limit a sidewalk café's footprint.
6. **Processing Time:** The City Council intended for a faster outdoor dining application process, but the city is now taking too long to determine if an application is complete before sending it to the community board, which begins the processing timeline, so speeding up this process is crucial.

Thank you for your consideration of our comments. If you have questions or comments, please contact the NYC Hospitality Alliance's executive director Andrew Rigie at arigie@thenycalliance.org.



Testimony before the New York City Council Committees on Small Business and Economic Development regarding the legal and regulatory challenges facing small businesses and the proposed commercial landlord watch list (Intro. 449)

January 30, 2025

Thank you Chair Feliz, Chair Farías, and members of the City Council Committees on Small Business and Economic Development for the opportunity to provide testimony regarding the legal and regulatory challenges facing small businesses along with the proposed legislation being heard today. We will focus in particular on Intro. 449, the proposed commercial landlord watch list.

About the Association for Neighborhood and Housing Development (ANHD)

ANHD is one of the City's leading policy, advocacy, technical assistance, and capacity-building organizations. We maintain a membership of 80+ neighborhood-based and city-wide nonprofit organizations that have affordable housing and/or equitable economic development as a central component of their mission. We bridge the power and impact of our member groups to build community power and ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers. ANHD is also a member of United for Small Business New York City, USBnyc, which is a coalition of community organizations fighting to protect small businesses and non-residential tenants from the threat of displacement.

Intro. 449: The Creation of a Commercial Landlord Watchlist

ANHD supports Intro. 449 and the proposed commercial landlord watchlist, which builds on and strengthens the existing commercial tenant anti-harassment law. We believe that this legislation will contribute to increased commercial landlord accountability and provide small businesses and other commercial tenants with critical information that will inform their decisions regarding leasing.

Our member organizations and coalition allies provide on-the-ground services in small business technical assistance, merchant organizing, and legal support. From their experiences, we have learned that tenant harassment is one of the primary challenges facing brick-and-mortar small businesses in New York City. Facing harassment, our communities' small businesses are at risk of being forced out of business or exploited for unreasonable rent increases. Thus, commercial tenant harassment contributes to the city-wide pattern of small business displacement, which causes New York City's diverse neighborhoods to lose essential, culturally relevant goods and services.

The commercial landlord watchlist would be one tool for interrupting this pattern of commercial displacement and bringing landlords into increased accountability and protecting small businesses. However, the city must take additional steps to give commercial tenants more rights and protections and enforce the commercial tenant anti-harassment law.

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www.anhd.org



Challenges facing small businesses in BIPOC, immigrant neighborhoods

There currently are not enough resources to protect small businesses, especially those in BIPOC and immigrant neighborhoods. In these neighborhoods, business owners do not have access to the information and legal support that they need to negotiate with landlords and protect themselves from predatory leasing practices and harassment.

Although the commercial tenant anti-harassment law provides small businesses with some protection against predatory landlords, they rarely pursue legal action under this law due to the costs and fear of retaliation from their landlords. BIPOC and immigrant small business owners are most vulnerable to retaliation in the form of eviction, rent hikes, and further harassment and are least likely to be aware of city programs and legal tools due to language and digital barriers.

Recommendations to strengthen Intro. 449

The proposed commercial landlord watch list, while an important step, would not address this lack of enforceability of the commercial tenant anti-harassment law, which will limit its impact.. In order to truly address the legal and regulatory challenges facing small business in New York City, particularly BIPOC and immigrant business owners, we suggest that the city:

1. Expand legal resources, such as the Commercial Lease Assistance program, in order to ensure that every small business owner has access to free, high-quality legal services when handling landlord disputes and leasing matters.
2. Establish a way for commercial tenants to report their landlords for harassment directly to SBS, as most will not have the resources to take legal action against their landlords when they do face harassment. This mechanism would provide the Commissioner with the data needed to develop her opinion on landlords who qualify as engaging in harassment or exploitation of a tenant.

The other bills being heard today—Intro. 1082 and Intro. 1132, which would require SBS to collect and publicize information on the impacts of small business fees, costs, and regulations—are also important measures which we support. If these bills are passed, we look forward to seeing how the city uses the information collected to change prohibitive and discriminatory compliance requirements and provide stronger protections and additional services to vulnerable small businesses.



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January 30, 2025

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Testimony Submitted by The Bronx Chamber of Commerce Committee on Small Business NYC Council - Int. 1082-2024, Int. 1132-2024, and 0449-2024

My name is Lisa Sorin, President of the Bronx Chamber of Commerce. I thank the Council for ensuring the challenges faced by small businesses are of paramount concern when considering any new legislation, particularly the businesses in the outer boroughs which are too often forgotten.

I would be remiss if I did not take this opportunity to highlight the importance of ensuring continued funding for the Small Business Resource Network (SBRN) in the upcoming budget cycle. This crucial program provides free, personalized support to help businesses grow and thrive, and to date, it has reached over 53,000 businesses across the city.

The Chamber is pleased to support Intro. 1082, which requires SBS to conduct a study of the many fees and costs required to start and maintain a small business, with the intention of identifying ways to reduce or offset the same.

The Chamber strongly supports Intro. 1132 which requires SBS to determine the most common type of regulatory violations issued to businesses in each Community District. Your bill proposes a helpful solution that needs to be implemented swiftly. Many believe that certain commercial corridors are disproportionately targeted, and this is a needed step toward ensuring fairer enforcement practices.

We have also reviewed Intro. 0449 which requires SBS to establish a commercial landlord watch list. It was introduced by Council Member Stevens who has been an unwavering advocate for the Bronx and our small businesses, and we sincerely appreciate her continued care and attention to the challenges faced by entrepreneurs and property owners in our community. While we recognize and support the intention of this bill to weed out “bad actor” landlords and ensure safe, fair conditions for tenants, we do have concerns about some of the bill’s language and its potential impact on small commercial property owners. We would ask that this bill language be further clarified, including specific parameters and definitions, clarity on enforcement, transparency and a commitment to due process. We look forward to working with the Council to ensure the needs of both tenants and property owners are met in a fair and balanced way.

Thank you for the opportunity to submit this testimony.

FOR THE RECORD



January 30, 2024

**Testimony of Randy Peers
President & CEO
Brooklyn Chamber of Commerce**

Before the

New York City Council Committees on Economic Development and Small Business

Regarding

Legal and Regulatory Challenges Facing Small Businesses

Members of the New York City Council Committees on Economic Development and Small Businesses – Thank you for the opportunity to submit testimony for today’s oversight hearing regarding legal and regulatory challenges facing small businesses, and the attached Council bills.

The Brooklyn Chamber of Commerce supports NYC Council Int 1132, sponsored by Chair Feliz and Council Member Williams. This bill would mandate the Department of Small Business Services with OATH to identify common regulatory violations businesses face and to develop geographically tailored compliance services to assist small businesses. SBS would work with agencies that issue violations to craft assistance services. Assistance offered may include direct outreach, awareness raising, education, training, and other support.

As the largest trade association in Brooklyn, representing over 62,000 businesses, we recognize the critical importance of addressing small businesses’ compliance challenges on a community-specific basis. The Brooklyn Chamber, in partnership with the five other borough chambers, offers similar support to businesses across NYC through the Small Business Resource Network (SBRN). These businesses can attest that compliance with the intricate web of city rules and regulations is challenging and sometimes confounding.

Int 1132 is a proactive measure to simplify regulatory compliance for small businesses in NYC’s diverse neighborhoods and commercial districts. By requiring SBS and OATH to analyze community-specific trends in violations and create tailored compliance services, this legislation will help small businesses avoid costly fines, reduce confusion, and focus on growth. It will also

help the City identify common problems and develop strategies for improvement. Supporting Int 1132 aligns with the Brooklyn Chamber's mission to advocate for policies that enhance the economic climate for all businesses in Brooklyn.

Thank you Council Members.

Comments of the Canarsie Merchants Association on Int 1082-2024 Study and report on fees and costs required to start and maintain a small business January 30, 2025

The mission of the merchant association is to support merchants and entrepreneurs, encourage them to share resources as they create job opportunities, and raise awareness for our commercial district's growth. With this unified vision, we will work with residents and local stakeholders to promote and advocate for a better quality of life along all commercial corridors in Canarsie. Through civic and community engagement, we aid in maintaining clean/green streets and offer Canarsie as a destination within the South Brooklyn community.

The Canarsie Merchants Association's advocacy continues with identifying resources to assist local business owners, M/WBEs with the opportunity to start as well as maintain a business in Canarsie and beyond.

Businesses starting especially during COVID were met with challenges, Depending on the nature of the business, to legally incorporate the entity legally, securing necessary permits and licenses along with basic start-up costs of office space, equipment, marketing and advertising, insurance, payroll etc can be over \$10k.

A review of the initial fees and costs to start a business in New York City is needed at this time.

CMA is a bridge connecting business owners to resources for their businesses. Collaborating with our partners, Brooklyn Chamber of Commerce, Small Business Services, along with other agencies and organizations to provide business owners with access to resources that can assist them in making informed decisions. Without these resources, especially in underserved communities, many business owners struggle to start their businesses or they find it difficult to maintain them in the long run. For example, many businesses that started during the pandemic entered commercial leases but struggled to stay open during the shutdown.

We are thankful for the opportunity to share our thoughts on the proposed bill, doing business in New York City is extremely challenging, we lend support to measures which apply to budding entrepreneurs/business owners who are faced with increasing commercial rents, taxes, inflation, lack of access to capital and can benefit from the assessment for their business.



January 30, 2025

Committee on Economic Development
New York City Council
City Hall
New York, NY 10007

Re: Geographically targeted regulatory compliance services for small businesses

Dear Committee Members:

I am writing to you to express strong support for Councilmember Oswald Feliz's legislation to support small businesses across New York City.

Right now, small businesses across New York City are struggling to navigate a confusing and burdensome landscape of fines. Many of these fines tend to stifle growth and without clear direction it is nearly impossible for business owners to fully understand the regulations they need to comply with. This lack of transparency creates an environment where small businesses are left vulnerable, facing unexpected penalties that directly affect their bottom lines.

This legislation proposes a solution that needs to be implemented swiftly. By requiring an annual study to shed light on the fines imposed on small businesses citywide, the city can collect crucial data on the most common fines, identify key trends, while also highlighting the industries and geographic areas most affected.

We must offer small business owners the guidance they need to meet city regulations without undue hardship and by increasing transparency, the City can pave the way for the creation of a targeted compliance support program. Ultimately, this bill is about recognizing small businesses' vital role in New York City's economy and communities and, in turn, providing them support they deserve to thrive.

I am ready to work with all members to advance this common-sense reform as soon as possible to protect businesses of all sizes in every borough. Thank you again for your leadership and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Rothrock".

Laura Rothrock
President



February 1, 2025

Re: Oversight: Legal and Regulatory Challenges Facing Small Businesses Intro. 1082 (Narcisse): Study and Report on Fees and Costs Required to Start and Maintain a Small Business

Members of the Committee on Small Business and Economic Development,

Thank you for the opportunity to provide a written testimony regarding the legal and regulatory challenges facing small businesses in New York City. I appreciate the Committee's focus on Intro. [1082 \(Narcisse\)](#), which aims to study and report on the financial burdens associated with starting and maintaining a business in our city. Given the critical role small businesses play in driving economic growth, job creation, and community development, it is imperative that we take a comprehensive look at the true costs of doing business in NYC.

The True Cost of Doing Business in NYC

While licensing and compliance costs are often cited in discussions on small business barriers, our experience suggests that the most pressing financial challenges for entrepreneurs, stem from:

1. Cumulative Tax Burdens:

- Small businesses are subject to multiple layers of taxation, including the Business Corporation Tax, General Corporation Tax, and Unincorporated Business Tax, depending on their structure.
- Businesses renting commercial space in Manhattan must also pay the Commercial Rent Tax, further increasing operational costs.
- The Utility Tax adds another layer of expenses, particularly for businesses that rely heavily on energy consumption.
- The recent implementation of congestion pricing has significantly increased costs for businesses that rely on transportation. Staten Island businesses that require warehousing often relocate to New Jersey to avoid high truck tolls, exacerbating the challenge of keeping business operations local.

2. Commercial Rent & Lease Deposits:

- The cost of commercial real estate is among the highest in the nation, making it incredibly difficult for small businesses to secure and maintain physical locations.
- Unlike residential leases, commercial lease deposits are largely unregulated, with landlords often requiring 3–6 months' rent upfront, creating a significant financial barrier for startups and MWBEs.

3. Delayed Government Payments:

- Many small businesses, particularly MWBEs, face financial strain due to long delays in payment from city contracts. Some businesses avoid working with smaller construction firms due to these delays, limiting opportunities for growth and economic participation.

Recommendations

The proposed study under Intro. 1082 would be a valuable tool in assessing the full scope of financial burdens on small businesses, particularly MWBEs and those in transit-disadvantaged areas. However, we urge the Committee to expand its focus beyond licensing and compliance costs to include:



- **A detailed breakdown of all fees and taxes associated with business operations** to create a clearer understanding of cumulative financial burdens.
- **A review of commercial lease deposit practices** to explore potential regulations that would provide more equitable leasing terms for small businesses.
- **Analysis of the impact of delayed government payments on small businesses** to develop strategies that ensure timely payments for city-contracted businesses.
- **Integration of the study findings into user-friendly tools like NYC's Business Wizard**, making it easier for entrepreneurs to navigate costs and financial assistance options.

Conclusion

New York City is an incredible place to do business, but the high costs and complex regulatory environment make it difficult for small businesses, especially MWBEs to thrive. While licensing and compliance costs do play a role, they are far from the primary financial challenge. We urge the Committee to ensure that the study under Intro. 1082 takes a holistic approach, addressing taxes, real estate costs, and payment delays, and to consider policy recommendations that will provide real financial relief to our city's entrepreneurs.

Thank you for your time and consideration.

Sincerely,

SONYA SMITH, MBA
State Director, New York SBDC



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January 30, 2025

Committee on Economic Development, New York City Council
City Hall
New York, NY 10007

Re: Geographically targeted regulatory compliance services for small businesses

Dear Committee Members,

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This legislation proposes a solution that needs to be implemented swiftly. By requiring an annual study to shed light on the fines imposed on small businesses citywide, the city can collect crucial data on the most common fines, identify key trends, while also highlighting the industries and geographic areas most affected.

We must offer small business owners the guidance they need to meet city regulations without undue hardship and by increasing transparency, the City can pave the way for the creation of a targeted compliance support program. Ultimately, this bill is about recognizing small businesses' vital role in the New York City's economy and communities and, in turn, providing them support they deserve to thrive.

I am ready to work with you to advance this common-sense reform as soon as possible to protect businesses of all sizes in every borough. Thank you again for your leadership and consideration.

Sincerely,

Seth Bornstein
Executive Director





**Testimony to the New York City Council City Council
Committee on Small Business Jointly with the Committee on Economic Development
January 30, 2025**

Good afternoon. My name is Carina Kaufman-Gutierrez, and I am the Deputy Director of the Street Vendor Project. I would like to thank Chair Feliz and Majority Leader Farias and the Committee for the opportunity to testify today, and for all your work to support all of our city's small businesses, including micro-businesses like street vendors. Today I'll be providing testimony on Intros 1132 and 1082.

Street vendors are the smallest businesses in our city, who provide essential services and products, paying taxes, creating jobs, and generating revenue in their communities. The Street Vendor Project (SVP) is a membership-based organization with more than 3,000 vendor members. 96% of street vendors are immigrants who hail from across the globe, and most of them have mixed immigration status. Given the diversity of our membership, our services are offered in 7 different languages, Arabic, Bangla, English, French, Mandarin, Spanish and Wolof, thanks to the diversity of our small team.

First, I would like to note that Local Law 18 of 2021 designated and I quote, "the department of small business services to provide training, outreach and education to all street vendors on entrepreneurship and compliance with all applicable local laws and regulations, as well as solicit feedback from the street vendor community." So I do want to highlight that SBS is the agency designated by law to conduct education to street vendor small businesses - just like to all other small businesses - and it's essential they have the resources to complete this work. We would also encourage that the SBS boot camp modules be offered in languages other than English, so that we can refer street vendors to participate.

Regarding Intro 1132: Would like to both encourage and confirm the geographically targeted regulatory compliance services proposed for small businesses is inclusive of vendors, and that this moves in tandem with Intro 408 which would establish a division within the Department of Small business services to assist street vendors, and requires that SBS offer trainings, education and conduct outreach to street vendors, very much in line with Intro 1132.

I also would like to encourage that the definition of the term violation as written in Intro 1132 be expanded to include criminal summonses issued to our City's smallest businesses, in addition to violations issued to the office of administrative trials and hearings, as in just the first 9 months of

2024, the NYPD issued 1,504 criminal summonses to street vendor small businesses. These criminal summonses include failing to display a permit, failing to display prices, vending on a sidewalk less than 12 feet wide.

In regards to Intro 1082, I would like to again both encourage and hopefully hear confirmation that street vendor small businesses are also included in the study of fees and costs required to start their businesses. It has been a challenge to many vendors who finally receive their supervisory license to raise the upfront capital needed to begin their food vendor business specifically, for example a standard halal pushcart or taco cart ranges from \$35,000-\$50,000, cart menu wrapping is \$3,000-\$7,000, generator an additional several thousand, commissary garage rentals, etc - the list goes on! So including a study and report on the types of fees and costs required to start and maintain a vending business would be very helpful.

Lastly, in response to earlier questions regarding documentation of services rendered, we would encourage that the “type of business establishment” - i.e. storefront, street vendor, etc, would be helpful to collect to ensure that services are indeed being rendered

Thank you again for the opportunity to testify!



January 30, 2025

Committee on Economic Development, New York City Council
City Hall
New York, NY 10007

Re: Geographically targeted regulatory compliance services for small businesses

Dear Committee Members,

I am writing to you to express strong support for Councilmember Oswald Feliz's legislation to support small businesses across New York City.

Right now, small businesses across New York City are struggling to navigate a confusing and burdensome landscape of fines. Many of these fines tend to stifle growth and without clear direction it is nearly impossible for business owners to fully understand the regulations they need to comply with. This lack of transparency creates an environment where small businesses are left vulnerable, facing unexpected penalties that directly affect their bottom lines.

This legislation proposes a solution that needs to be implemented swiftly. By requiring an annual study to shed light on the fines imposed on small businesses citywide, the city can collect crucial data on the most common fines, identify key trends, while also highlighting the industries and geographic areas most affected.

We must offer small business owners the guidance they need to meet city regulations without undue hardship and by increasing transparency, the City can pave the way for the creation of a targeted compliance support program. Ultimately, this bill is about recognizing small businesses' vital role in the New York City's economy and communities and, in turn, providing them with support they deserve to thrive.

I am ready to work with you to advance this common-sense reform as soon as possible to protect businesses of all sizes in every borough. Thank you again for your leadership and consideration.

Thank you,

Tom Harris
President
Times Square Alliance





TESTIMONY OF VOLUNTEERS OF LEGAL SERVICE

New York City Council Committee on Small Business and Committee on Economic Development: Oversight- Legal and Regulatory Challenges Facing Small Businesses

January 30, 2025

Good afternoon. Thank you for the opportunity to testify today. My name is Andrea Tan and I am the Director of the Microenterprise Project at Volunteers of Legal Service (VOLS). VOLS is a legal services nonprofit founded in 1984. Our mission is to bridge the justice gap in underserved communities through increased pro bono legal services. The VOLS Microenterprise Project helps existing and aspiring small business owners and entrepreneurs access high-quality free legal services from our dedicated staff and our network of pro bono attorneys. VOLS helps small business owners with transactional small business legal needs, including entity formation, drafting and reviewing contracts, and understanding industry-specific regulations. We partner with community and economic development organizations to connect with clients who would benefit from our legal assistance, focusing on minority-, women-, immigrant-, and veteran-owned businesses.

Based on our experience working with small business owners, we believe that the proposed bills will address critical challenges that entrepreneurs in New York City face and provide useful resources. First, the proposed analysis of the fees and costs to start and maintain a small business would be a helpful tool. We see firsthand how regulatory and financial barriers overwhelm entrepreneurs. Legal fees, for instance, remain one of the most significant yet overlooked costs. Entrepreneurs frequently forgo legal services to save money, which often results in costly mistakes, like improperly formed entities or poorly drafted contracts. Identifying these costs would help the city better address the financial hurdles that undermine small business growth. VOLS stays committed to offering free legal assistance to entrepreneurs who urgently need these services.



Second, the introduction of a Commercial Landlord Watch List would help address the power imbalance between commercial landlords and tenants by increasing transparency and accountability in the rental market. Unlike residential tenants, commercial tenants lack many legal protections, leaving them vulnerable to exploitative practices. Through our work, we have observed how inadequate lease agreements and untrustworthy landlords can lead to financial loss and business closures. This tool would provide small businesses with critical information to mitigate such risks and promote fairness in the commercial rental market.

Finally, providing tailored regulatory compliance assistance in different languages would help businesses proactively address compliance challenges, alleviating a significant burden for small businesses, especially those without access to legal guidance. Collaboration with organizations like ours that already provide free legal and compliance services would enhance the reach and impact of these efforts. Legal fees and compliance costs should not be insurmountable obstacles for small businesses. By addressing these challenges with thoughtful policies and accessible resources, we can ensure that small business owners spend less time navigating regulations and dealing with violations, allowing them to focus more on growing their businesses and create a more equitable and thriving small business ecosystem. Thank you.

Andrea Tan
Director, Microenterprise Project
atan@volsprobono.org
Phone (347) 521-5714

THE COUNCIL
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Appearance Card

8

I intend to appear and speak on Int. No. OVERSIGHT Res. No. 1/30/25
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ANDREW KIGIE

Address: _____

I represent: NYC HOSPITALITY ALLIANCE

Address: _____

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Appearance Card

I intend to appear and speak on Int. No. 1132 Res. No. _____
 in favor in opposition

Date: Jan 30, 2025

(PLEASE PRINT)

Name: IAN STERN

Address: [REDACTED] Jamaica, NY 11432

I represent: _____

Address: _____

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Appearance Card

189

I intend to appear and speak on Int. No. 1132 Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: JESSICA WALKER

Address: _____

I represent: Manhattan Chamber of Commerce

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

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I intend to appear and speak on Int. No. 1132-2024 Res. No. _____

in favor in opposition

Date: 1/30/2025

(PLEASE PRINT)

Name: Lindsey Vigoda

Address: [REDACTED] NYC 10003

I represent: Small Business Majority

Address: 93 4th AVE Unit 6 NYC 10003

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Appearance Card

7

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Norine Medas

Address: 1370 Rockaway Pkwy

I represent: Canarsie Merchants Assoc

Address: 1370 Rockaway Pkwy

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Appearance Card

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I intend to appear and speak on Int. No. 1132 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: RANDY PERI

Address: _____

I represent: Brooklyn Chamber

Address: OF Commerce

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I intend to appear and speak on Int. No. oversight Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Robert Bookman
Address: 325 Broadway
I represent: NYC Hospitality Alliance
Address: same

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I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MAX BOOKMAN
Address: 325 Broadway
I represent: NYC Hosp Alliance
Address: _____

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Appearance Card

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I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Andrea Tan
Address: 40 Worth St, NYC
I represent: Volunteers of Legal Service
Address: 40 Worth St, NYC

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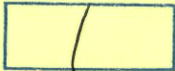
Date: _____

(PLEASE PRINT)

Name: LISA Serin - Bronx Chamber
Address: 1200 WATERS PLACE BX 10461
I represent: Bronx Chamber of Commerce
Address: 1200 WATERS PL BX 10461

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I intend to appear and speak on Int. No. 449 Res. No. _____
 in favor in opposition

Date: 1/30/2025

(PLEASE PRINT)

Name: Ahyoung Kim
Address: [Redacted] Jackson Heights
I represent: Asian American Federation
Address: 120 Wall Street, New York

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 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Natasha Joseph
Address: Assistant Commissioner for Government
I represent: Navigation and Regulatory Reform
Address: NYC SBS

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I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Dynishal Gross

Address: Commissioner

I represent: NYC Dept of Small Business Services

Address: (SBS)

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 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Haris Khan

Address: Acting Chief of Staff

I represent: NYC SBS

Address: _____

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