

TESTIMONY

BY

COMMISSIONER GREGG BISHOP

NEW YORK CITY

DEPARTMENT OF SMALL BUSINESS SERVICES

BEFORE

**THE COMMITTEE ON SMALL BUSINESS AND THE
COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS
LICENSING**

OF THE

NEW YORK CITY COUNCIL

WEDNESDAY, APRIL 29, 2020

Good afternoon Chair Gjonaj, Chair Cohen, and members of the Committee on Small Business and the Committee on Consumer Affairs and Business Licensing. My name is Gregg Bishop 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. This is such a difficult moment for our city and especially our small business community. My staff and I are working tirelessly for small businesses, through our programs and advocacy for additional support. I am so grateful for the Council’s enthusiastic partnership and engagement as we continue to reach constituents in your districts that need help, and to better understand the evolving impacts of COVID19 on the city’s small businesses.

New York City small business owners are facing unprecedented challenges. Our goal is to connect them to the resources they need to persevere through this crisis and come out on the other side stronger. Based on the concerns we heard in January and February, SBS worked quickly to launch two financial assistance programs, the **NYC Employee Retention Grant** and the **NYC Business Continuity Loan Fund**. Through the NYC Employee Retention Grant, SBS has approved financial assistance totaling more than **\$19 million for over 2,600 small businesses**. SBS’s NYC Business Continuity Loan Fund has also seen enormous demand; we received thousands of applications and are expecting to award about **\$20M** in loans. Thus far, **over 170 loans** have been approved, totaling more than **\$10 million** for small businesses.

However, the overwhelming needs of our small business community can only be met by the resources of the Federal government. To help New York City small business owners access their fair share of federal funds from the CARES Act, our agency has shifted our resources to provide **technical assistance** to business owners who need help applying to the U.S. Small Business Administration (SBA)’s emergency response products including the **Paycheck Protection Program**, which reopened to applications earlier this week after initial funding was exhausted. Technical assistance ranges from overviews of available funding options, to communicating directly with lenders to address questions regarding applications. SBS is providing this technical assistance through information sessions, small group sessions, and in a one-on-one setting, all

virtually. We are working with MOIA to provide technical assistance in multiple languages so that our immigrant entrepreneurs are not excluded from these opportunities.

Beyond these initiatives, SBS has shifted all of our operations to support the most pressing needs of our constituents as we weather this pandemic. Our **NYC Business Solutions Center** experts are available remotely to connect business owners with services, including identifying additional financing opportunities through our network of more than forty lenders and local philanthropic partners. Rent has been an enormous challenge for small business owners. Our **Commercial Lease Assistance Program** is available to support small business owners as they engage with their landlords to discuss changes to their lease obligations, which might include a rent deferral, abatement, or reduction, among other actions. Our CLA lawyers can help review leases to determine what a business' rights and obligations are, negotiate a payment plan for arrears, etc. We appreciate Council's leadership in increasing protections for commercial tenants at this trying time and look forward to discussing **Intro 1914** and **Intro 1932** together.

SBS is also providing targeted support for the City's **Minority and Women-owned Business Enterprises (M/WBEs)**. In addition to connecting M/WBEs with relevant information about SBS and SBA COVID relief opportunities, SBS rapidly transitioned its existing programming, workshops, one-on-one technical assistance, and contractor compliance operations to remote services delivery. SBS has collaborated with the Mayor's Office of Minority and Women-Owned Enterprises (OMWBE) and Mayor's Office of Contracting Services (MOCS) to identify M/WBE firms that supply essential services such as medical staffing, IT goods, childcare services, cleaning services, and food services to connect these in-demand M/WBE firms with emerging contracting opportunities.

SBS's **Workforce1 Career Centers** staff are focused on recruiting for essential service employers, as well as identifying opportunities that are close to home for our job seekers so that it's easier for them to safely travel to and from work. Staff are available remotely to provide job seekers with one-on-one assistance regarding job searches and

preparation. We are working with the **Food Czar** team to help grocers and other food system businesses recruit employees and address other concerns. To support the healthcare industry, SBS is working directly with nursing homes and community hospitals to provide support in filling urgent staff needs and to develop a home health aide training to meet the ongoing demand. Through our Workforce1 system, SBS is currently working with over 200 businesses to fill more than 3,000 positions across the city.

Since the onset of the pandemic, SBS has worked to ensure that our partners and constituents have access to the information they critically need. We share information through email correspondence, social media, advertising campaigns, and local and national print, television, and radio broadcast media. We have created numerous resource pages with COVID-specific guidance for small business owners and jobseekers on our website; these new COVID-related pages have seen over **700,000 visits** since the beginning of March.

We have also activated our community partner network to disseminate information and share details regarding new or ongoing challenges faced by their small business constituents. I personally hold regular conference calls with elected officials and with community partners, and through our Neighborhood Development team, SBS is in close communication with **BIDs and other community-based development organizations**. To continue providing critical support to neighborhood commercial corridors across the five boroughs, SBS is working with our **Neighborhood 360** and **Avenue NYC grantees** to realign their efforts with our COVID response and recovery strategies.

By providing technical assistance and working with our community partners, SBS is working to ensure that New York City business owners have greater access to Federal funding opportunities. However, no matter how we are able to improve these accessibility challenges, we must also recognize and correct the **structural problems of the SBA's Paycheck Protection Program**. Foremost among them, the timeline for loan forgiveness needs to change to be fair to New York City businesses. Congress needs to allow businesses that receive PPP funding to bring their employees back when their City reopens, giving them a fighting chance to sustain their business without taking on insurmountable debt. We are advocating for the extension of these federal loan

terms, as increasing the timeline for repayment would provide companies with the necessary breathing room to emerge from this pandemic financially sound. Furthermore, to support many businesses, especially restaurants and those in the hospitality industry, PPP should allow for higher percentages of fixed costs – like rent, mortgages and utilities – to be forgivable, in addition to the expenses of employee retention. Finally, the Federal government needs to do more to ensure that our smallest, most vulnerable businesses have access to the resources they need by developing financial tools and routing more money to business owners that have been left out of early Federal funding rounds, including undocumented New Yorkers, some non-profits, and religious institutions, who desperately need more support.

With your help and the continued leadership of our Congressional delegation, we will continue to identify these gaps in resources and advocate to the Federal government to ensure that future stimulus packages capture the unique needs of New York City's small business economy. I applaud the Council's leadership in developing local solutions, especially related to third party delivery applications, but I do want to ensure that we are not introducing additional regulatory burdens on small business owners at this time. I look forward to discussing further and continuing to work together to effectively serve New Yorkers. Thank you and I would be happy to take your questions.

**Testimony of Commissioner Lorelei Salas of the
New York City Department of Consumer and Worker Protection before the
Committees on Consumer Affairs and Business Licensing and Small Business**

**Remote Hearing on
The Impact of COVID-19 on Small Businesses in New York City and
Introductions 1846, 1895, 1896, 1897, 1898, 1907, 1908-A, 1914, 1916, 1921, 1932, a
Preconsidered Introduction, and Resolution 1049**

April 29, 2020

Good Afternoon Chairs Cohen and Gjonaj and members of the committees. I am Lorelei Salas, Commissioner of the Department of Consumer and Worker Protection (DCWP).

It is my pleasure to testify before the City Council today and it is my sincere hope that each of you and your loved ones are staying safe and healthy during this time. Although my staff and I have been in regular contact with many of your respective offices over the past several weeks, I am eager to use this first hearing during the COVID-19 crisis to officially update you on DCWP's work.

The Impact of COVID-19 on Small Businesses in New York City

The economic cost of the COVID-19 crisis is tremendous. For the over 200,000 small businesses in New York City, including thousands of DCWP licensees, revenue streams are strained or non-existent.

Under this Administration and my leadership, DCWP has been especially attentive to small business needs by promoting a culture of compliance through presentations, roundtable meetings, and business walks. In fact, just last month at our preliminary budget hearing, I testified to yet another consecutive year of decreased fines on businesses.¹

DCWP's mission to protect and enhance the daily economic lives of New Yorkers to create thriving communities is more important than ever before. That is why DCWP has, and will continue to, work to provide guidance to small businesses and work in good-faith to address unforeseen matters of concern.

Addressing Licensee Challenges

Out of concern for the safety of business owners and in compliance with *New York State on PAUSE* (NY PAUSE) DCWP suspended in-person customer visits to the New York City Small Business Support Center in Jamaica and our Lower Manhattan main office on March 16th. In lieu of in-person visits, DCWP published guidance advising customers to use a suite of online services and published public-facing contacts to further guide customer questions on issues including business

¹ <https://www1.nyc.gov/assets/dca/downloads/pdf/partners/Advocacy-FY2021-Preliminary-Budget-030520.pdf>

compliance, collections, and licensing. This notice remains on our website homepage and is available in multiple languages.²

Less than three weeks after NY PAUSE, we extended to June 30th upcoming license terms and provided additional grace periods for licensees to submit renewal applications. The Mayor has, of course, also issued Executive Order 107, which extends license terms for the duration of the State of Emergency, and if the State of Emergency extends beyond June 30, we will extend our deadlines accordingly.

DCWP has also been responsive to stakeholders. Although prohibited by state statute from extending the license expiration date of employment agencies, we acted where we could and extended the renewal application grace period deadline to August 28th in response to questions from industry. The complete licensing extension guidance is available on our website and in multiple languages.³

My staff and I have also been in close contact with the City Council throughout the COVID-19 crisis. Our partnership facilitated a Mayoral Executive Order waiving consent fees for sidewalk cafés for the pendency of the State of Emergency. We are processing refunds as quickly as possible and are on track to complete final steps over the next few weeks.

Addressing Small Business Compliance with Workplace and Consumer Protection Laws

Even in these difficult times for businesses, DCWP's core function and mission to protect workers and consumers must persist.

In order to prevent stores from overcharging New Yorkers, I used my authority, on March 5th, to declare face masks temporarily in short supply. Subsequently, I expanded the short supply order to cover disinfectant wipes and hand sanitizer. By March 16th, our agency took further steps and issued an emergency rule making price gouging illegal for any service or personal or household good that is needed to prevent or limit the spread of, or treatment of COVID-19. Under the emergency rule, businesses have an opportunity to provide evidence to DCWP if prices were raised in excess of 10% due to increased costs to supply the item. DCWP has also subpoenaed several suppliers to investigate claims by businesses that they were being gouged. Thus far, the agency has reached out to several manufacturers of products to request assistance with positive results. Informational flyers for business compliance are available on our website and in multiple languages.⁴ On March 6th, DCWP physically distributed this flyer in various business districts including in Downtown Brooklyn, Lower Manhattan, Murray Hill, and Sheepshead Bay.

In late March, DCWP published updated COVID-19 guidelines for employers and employees as it relates to city, state and federal laws that govern New York City private sector workplaces. DCWP received appreciation from stakeholders on updated paid sick leave guidance that clarified obligations as it related to new emergency protections passed by the state and Congress. I also

² <https://www1.nyc.gov/site/dca/media/DCWP-Services-Available-Online-Only-to-Stop-COVID19.page>

³ <https://www1.nyc.gov/assets/dca/downloads/pdf/businesses/Does-Your-Consumer-Affairs-License-Expire-February-through-June-2020.pdf>

⁴ <https://www1.nyc.gov/assets/dca/downloads/pdf/media/COVID-19-Overcharge-Flyer-Business-English.pdf>

want to take this opportunity to thank Speaker Johnson for amplifying the regularly updated guidance which is now available in multiple languages on our website.⁵

Both the guidance for workplace laws and price gouging are the subject of ongoing virtual outreach events, stakeholder communications, and daily communication with sister-agencies, like SBS, that further amplify our work. To date, DCWP has participated in 14 outreach events for small business owners since the COVID-19 crisis began.

Legislative Proposals

Before I discuss the broader package of bills, I'd like to preface our legislative analysis with the sentiment that the Administration generally agrees with the issues the Council is trying to address. However, given the ongoing emergency and fiscal situation, it would be challenging for us to contemplate taking on broad new areas of regulation. With that said, we want to work with Council to figure out the best pathway forward and what we can do to help small businesses the most right now.

Introductions 1846, 1896, 1897, 1898, 1907, and 1908-A

This package of bills aims to regulate third party food delivery services.

We would like to work together on addressing fees, as addressed in Intro. 1908-A by Council Members Moya and Gjonaj. Intro. 1908-A would place a cap on the fees charged to restaurants during this crisis. We are discussing with City Hall to identify the best agency to tackle this pressing matter to protect small businesses and would like to continue the conversations with the Council to find a path forward.

Similarly, DCWP supports the intent of Intro. 1846 but we have several questions including, but not limited to, the prudence of only requiring these disclosures to consumers who use a third-party food delivery service and not to those that order directly from restaurants.

We are interested in working with you on the other bills as soon as the crisis is behind us.

Introduction 1916

Introduction 1916 waives all license and consent fees for sidewalk cafés that are due on or after January 1st 2020 until December 31st 2020. As noted earlier, DCWP worked successfully with the City Council to address sidewalk café consent fee concerns for the pendency of the State of Emergency by way of Mayoral Executive Order.

Circumstances resulting from COVID-19 are impacting the bottom lines of thousands of different types of businesses. DCWP, alone, licenses more than 75,000 business across over 50 business categories, and sidewalk cafés represent less than 1,000 of those businesses., As a

⁵ <https://www1.nyc.gov/assets/dca/downloads/pdf/workers/Complying-with-NYC-Workplace-Laws-During-COVID-19.pdf>

general matter, DCWP will continue to explore ways that we can help businesses tied to the pendency of the State of Emergency and we look forward to working with Council.

Preconsidered Introduction

The Preconsidered Introduction requires the Mayor to issue guidance on license renewal deadline extensions. The legislation also provides that no license or permit shall be required to be renewed until 90 days after the COVID-19 emergency ends. I should note that this legislation impacts licenses and permits beyond those under the purview of DCWP. The Law Department is currently reviewing the proposal, along with the other bills in this package, in totality.

Conclusion

I'd like to close with a note of gratitude. I am so grateful for the essential workers taking care of the sick and vulnerable and for those delivering a variety of services we normally take for granted. I am also grateful for the incredible sacrifices of our communities, the small businesses that had to close their doors, the New Yorkers who continue to abide by social distance rules, and our collective staff who have remained steadfast in working for the greater good of the city and on behalf of millions who are suffering in these trying times.

Thanks again for the opportunity to testify this afternoon and I look forward to hearing from you and answering any questions you may have.



Testimony

of

New York City Department of Health and Mental Hygiene

before the

**New York City Council Committee on Small Business & Committee on Consumer Affairs
and Business Licensing**

on

Intros 1895, Intro 1921 and Preconsidered Intro T2020-6107

April 29, 2020
Virtual Session

The Health Department appreciates Council's dedication to protecting small businesses and consumers at this especially trying time for New York City residents, and we are proud of our sister agencies' tireless efforts to similarly support New Yorkers and thank them for representing the Administration at this hearing. Two of the bills being heard today would impact the Health Department's food safety program. Intro 1895 would require the Health Department to establish rules that would decrease the risk that food packaged by restaurants for delivery is tampered with before reaching the customer, which may include requiring tamper-evident packaging. Violations would be punishable by a civil penalty of up to \$100 for each violation and would be issued to the food service establishment. The Health Department is opposed to this bill, as we have no evidence that food packaged for delivery is being tampered with, and there are protections already in place to ensure this is not an issue for restaurants or consumers. Specifically, tampering with packaged food is already a crime, and the Health Code requires packaging to prevent contamination and that food is protected from adulteration or contamination. Furthermore, specifying a new kind of "tamper-resistant" packaging would be an added burden for the restaurant industry at this time, and would not introduce public health benefit.

Intro 1921 would require food service establishments and third-party food delivery services to post sanitary inspection grades issued by the Health Department on their websites or on other online platforms. Businesses will be subjected to a civil penalty of no less than \$100 per violation if they do not comply. The Health Department opposes this bill, which will undermine New Yorkers' confidence in our letter grading program. The letter grading program only works if New Yorkers trust the grade; therefore, it is critical the grade be accurate and current. The Health Department already makes grade information available for New Yorkers on its website, ABCEats, which is updated nightly and provides an identical dataset on NYC Open Data for third party websites to upload and exhibit on their sites. Some third-party websites may not be designed in a way that enables them to add the data and requiring them to include the letter grades may result in posting of inaccurate information. Mandating the letter grading posting as proposed will undermine the letter grade program and is unenforceable.

Additionally, the Preconsidered Introduction being heard today requires the Mayor to issue guidance on license renewal extension deadlines. The legislation also provides that no license or permit shall be required to be renewed until 90 days after the State of Emergency ends. On April 14, 2020, the Mayor issued Executive Order 107, which extends all existing City licenses and permits for the duration of the State of Emergency, which the Health Department is following accordingly. All Health Department licenses and permits that will expire or require renewal during the State of Emergency are extended for the duration of the emergency. Renewal notices are not being mailed at this time. However, this legislation impacts licenses and permits beyond those under the purview of the Health Department and the Administration is currently reviewing this proposal along with the other bills in this package.

Thank you again for your commitment to supporting New York City businesses and consumers during this time, and we look forward to further discussing this legislation.

Personal Guarantee Release

Speaker Johnson - Thank you for all of your efforts in supporting small businesses in NYC during these unprecedented times. Your proposed law that would release commercial tenants from personal guarantee would be life changing for me and many other small business owners.

3 years ago, when I took my life savings to open up a 20 seat, 6 employee restaurant in the West Village, the only way I could secure a lease was to provide a personal guarantee. That guarantee entitles my landlord to 6 months rent (at \$18,000 per month) ,other fees and my security deposit (3 months rent) should I request to vacate the premises prior to the end of the 10 year lease. In the current situation i cannot afford to pay rent and i can not afford to give notice. I will quickly run out of money either way. I applied early on for the PPP and 2 other SBA loans, but I was not approved before the funds dried up. I have filed loss of income claims with my insurance company to no avail. I am out of options.

If the personal guarantees stay in place I and many others will not only lose our business, our livelihoods and our investments in the business, but also spend every other dollar we have on commercial rent on a space that is unusable. We will then be forced into bankruptcy to liquidate whatever little else we might have, to pay commercial rent on a location that has been forced to close.

I beg you to please help us. Please step in and give us an opportunity to survive this disaster by getting rid of the personal guarantees. I have accepted that my business will not survive this, but I am hopeful with your help I and many small business owners will not be personally ruined as well.

Thank you and stay safe,

Joseph Conti
Owner - Shuraku Restaurant

TESTIMONY OF THE REAL ESTATE BOARD OF NEW YORK TO THE COMMITTEE ON SMALL BUSINESS AND THE COMMITTEE ON CONSUMER AFFAIRS & BUSINESS LICENSING OF THE NEW YORK CITY COUNCIL REGARDING INTRO NOS. 1914, 1916, 1932 AND T 2020-6107, AS PART OF THE COVID-19 PACKAGE

April 29, 2020

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association. Founded in 1896, REBNY represents commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople and other organizations and individuals active in New York City real estate. REBNY strongly supports policies that expand the local economy, grow and improve the City's housing stock, and create greater opportunities for all New Yorkers. Thank you to the City Council for the opportunity to provide our perspective regarding COVID-19 related legislation.

As we know, very few industries have been shielded from the economic downturn brought by COVID-19, including the real estate industry. As a result, it is essential that every proposal put forth by all levels of government as well as the private sector emphasizes collaboration to find solutions and does not prioritize one constituency over another.

Unfortunately, many of the bills in this package upend the organic solutions that businesses and property owners are engaging in during these trying times, and artificially select winners or losers when almost all parties need relief. It does not appear that the bills being proposed in the package take that into account.

REBNY appreciates the importance of issues surrounding the hospitality industry and the current state of food delivery services that will be discussed today. REBNY would like to provide comments on the below legislation and share our questions and concerns.

BILL: Intro No. 1914-2020

SUBJECT: Harassment of commercial tenants impacted by COVID-19.

SPONSORS: Council Members Adams, Kallos, Van Bramer, Chin, Louis, Ayala and Speaker Johnson

Intro 1914 makes threatening a commercial tenant based on their status as a COVID-19 impacted business or person a form of harassment punishable by a civil penalty of \$10,000 to \$50,000.

REBNY agrees wholeheartedly with the Council that protecting tenants from the harassment of any kind, notably during the COVID-19 crisis, should be a priority.

In general, it is important to clearly define what harassment means when most of the normal ways our society interacts with each other have changed. REBNY has concerns surrounding

how Intro 1914 will affect the conversations that are already happening between tenants and owners organically that could lead to solutions on rent relief. Notably, if either side of those conversations is now fearful that such conversations could be misconstrued as harassment, needed relief for commercial tenants could be lost. For example, since the business owner and the building owner can no longer meet at the business, is it considered harassment for the building owner to send more than one inquiry to the business owner's home address?

REBNY also has concerns about how a building owner will understand what constitutes a COVID-19 impacted business. As written, there does not seem to be a contingency on how long a tenant could claim protected status relative to the COVID-19 disaster declaration, theoretically allowing for the protected class to be claimed well after the end of the current pandemic.

Additionally, extending the protected class to also cover businesses who have received a rent concession or forbearance for any rent owed raises questions and concerns. As written, there is no clarity on what would occur if a tenant who has claimed protected status, for example, does not pay rent on a future unit under a different lease.

BILL: Intro No. 1916-2020

SUBJECT: Requiring the Department of Consumer Affairs and Worker Protection to waive and refund all fees related to sidewalk cafe licenses that are due on or after January 1, 2020, until December 31, 2020.

SPONSORS: Council Members Cohen, Chin, Powers, Yeger, Louis, Ayala

Intro 1916 requires the Department of Consumer Affairs and Worker Protection to waive and refund all fees related to sidewalk cafe licenses that are due on or after January 1, 2020 until December 31, 2020.

REBNY supports this commonsense legislation. With so many restaurants, bars and other establishments in the hospitality industry ordered to close resulting in dire financial losses, regulatory relief is necessary now more than ever.

In addition, small, independent store owners are absorbing the costs associated with paid sick leave and obtaining approvals for licenses. The Health Department increased fine revenues by 40% in 2018 and even this year's reined in executive city budget plans on fine increases.

REBNY encourages the Council to evaluate government processes that in normal times can be frustrating. These include the myriad of permits and authorizations needed by a plethora of government agencies that may have lapsed or may require renewals, such as gas authorization from the Department of Buildings. Some consideration should also be given to the potentially necessary pre-opening inspections, such as the ones from DOH and FDNY, that normally would occur pre-operational start after a prolonged closure, and how best to expedite those necessary actions.

REBNY looks forward to reviewing other proposals that would provide targeted relief so that businesses can re-open and the entrepreneurship that marks this city can find new ways to thrive.

BILL: Intro No. 1932-2020

SUBJECT: Personal liability provisions of leases for commercial tenants impacted by COVID-19.

SPONSORS: Council Members Rivera, Kallos, Van Bramer, Rosenthal, Chin, Ayala and Speaker Johnson

Intro 1932 prohibits the enforcement of personal liability provisions in commercial leases or rental agreements involving a COVID-19 impacted tenant where the default or other trigger event happened during the COVID-19 state of emergency. Threatening to or attempting to enforce such a provision would also be considered a form of harassment.

REBNY is opposed to Intro 1932 for legal and practical reasons. At a time when the City should be finding ways to work together with the private sector to provide relief to all small businesses and workers, we cannot afford to pick winners and losers as it pertains to commercial lease contracts and other contractual agreements between two parties.

This legislation proposes the seemingly impermissible, unilateral amendment of existing, valid contracts. It is not clear that the City Council has the authority to do this. We should instead focus on solutions that would benefit everyone including collaborative support for business interruption support, rent relief and commercial mortgage forbearance from Congress.

Additionally, 3,342 New York City condominium and cooperative properties, including HDFCs, contain retail space. Retail spaces in condominium and cooperative buildings are fundamental to the financial viability of these residences, as they keep homes affordable by offsetting costs that would otherwise be paid for by the building's tenants. The Council must consider how this bill impacts over 100,000 households that depend on this rent revenue to keep their homes affordable.

BILL: T2020-6107

SUBJECT: Guidance on license and permit renewal deadline extensions.

SPONSORS: Council Member Matteo

T2020-6107 requires the Mayor to publish guidance online listing all city licenses and permits covered by section four of his Emergency Executive Order Number 107 issued on April 14, 2020. This bill also requires the Mayor publish guidance on renewal procedures and dates for such licenses and permits no later than 14 days before the state of emergency ends, with no renewal deadlines until 90 days after the emergency has ended.

REBNY supports T2020-6107. With small business relief necessary, providing additional extensions of deadlines as well as guidance that will help small businesses navigate city

licenses and permits is a critical function that only government can provide in this difficult economic time.

CONCLUSION

As we work to address reopening our economy while prioritizing the health and safety of all New Yorkers, we need to support proposals and actions that embrace collaboration. Additionally, we must understand that most small businesses and industries across our City need real and immediate financial relief. Establishing programs that postpone or eliminate obligations in one part of the City's ecosystem without recognizing the realistic consequences for New Yorkers is irresponsible.

Many of the proposals fall short of understanding this reality. REBNY is ready and willing to work with the Council and appropriate City agencies to find solutions that balance relief for both small businesses and workers, the obligations of property owners, and the needs of tenants.

Thank you for the time and consideration of these points.

CONTACT:

Ryan Monell
Government Affairs, Director of City Legislative Affairs
Real Estate Board of New York (REBNY)
(937) 269-6889
rmonell@rebny.com

77 Sands Street
Brooklyn, NY 11201
randolphbeer.com
@randolphbeer



April 26th, 2020

VIA ELECTRONIC DELIVERY

NYC Council Speaker Corey Johnson
City Hall Office
New York, NY 10007

RE: Proposed COVID-19 Relief Bill, Protecting NYC Small Businesses

Dear Speaker Johnson,

First, I want to thank you and the rest of the Council, on behalf of my company and myself personally, for the COVID-19 relief bill being proposed. While the purpose of this letter is to emphasize the importance of a specific small business protective measure under consideration, as a 20-year New Yorker I could not be more enthusiastically in support of what the Council is proposing in all aspects.

I am currently raising a family in Brooklyn, where I have lived for the past 10 years after spending 10 prior in Manhattan. My parents were from the Bronx and Queens and I am here for the long haul. My partners and I started our restaurant business on Broome Street over 15 years ago with 4 employees and a small bar/cafe. Today we have 3 full-service restaurants (2 with small breweries) and 80 employees (pre-crisis) who are all NYC residents. We have been an owner-operated, DIY company since the beginning and we have survived throughout the years by catering to locals. 2020 was set up to be our biggest year ever in hiring and growth as we just signed a new lease for a 4th location in January, which at this point is untenable and a tremendous stress unfortunately. While our future is uncertain in this moment, we are reassured by the fact that our local government understands what we are dealing with and has the courage and resolve to act in support of businesses like ours.

Regarding the small business protective measures under consideration, the suspension of commercial lease guaranties in COVID-19 impacted situations is, by far, the one that gives me the most comfort as I lie awake every night thinking about how my company and family will survive the crisis. I believe this measure is a profoundly fair solution to a problem in which both tenants and landlords equally share no fault yet also equally cannot escape. In support of this proposal, I want to share with you how this measure would mean the difference between survival and bankruptcy for my small business specifically, a tried and true NYC restaurant company.

We guarantee leases through a holding company, owned by founders and employees, whose assets include 100% of our restaurant businesses and which also serves as our company's centralized employer. In the case of our most recent lease, for which the project has not yet started, the depletion funds to cover COVID-19 losses has made moving forward a guaranteed path to insolvency. We informed the landlord about this and attempted to negotiate, explaining that both parties are better off if we remain solvent. The landlord prefers to simply wait since our holding company has guaranteed the lease (full 15-year term), and therefore all of our existing restaurants are on the hook indirectly. Should we secure financial relief or start to recoup losses after we can open, this landlord's recovery potential and leverage will grow. We are paralyzed and forced to consider starting a project we cannot fund and spending ourselves into insolvency as a preferable strategic option to waiting for the landlord to force us into bankruptcy as we begin to recover from the crisis.

77 Sands Street
Brooklyn, NY 11201
randolphbeer.com
@randolphbeer



Landlords and tenants, and everyone else, knows that economic circumstances have changed in a dramatic fashion, and at a speed, never before seen in our lifetime. Small business owners have had no choice but to accept these circumstances in real time, reset their expectations and either throw the towel in or begin to make the sacrifices necessary to survive. We now desperately need our landlords to acknowledge these same circumstances and either negotiate with us accordingly or allow us to accept a calculable loss and move on. Suspending guarantees is the only way to force this fair and earnest negotiation, based on the market conditions of today. It is absolutely essential to the survival of small businesses in our city.

Finally, I am reminded, as many have been, about hurricane Sandy and the fears we faced then. Compared to COVID-19 Sandy somehow feels small, but it was still devastating. We were a smaller and younger company with just one restaurant during Sandy. We were shut down, broke and unsure when, or if, we'd be able to re-open. We made the decision to drive upstate and borrow a family member's gas-powered generator and charcoal grill. We opened our downtown restaurant for the community and offered free food, coffee and beer. We used plug-in, string lights and candles and cooked with a grill on the sidewalk. We became the only place open for blocks and drew our neighbors to us. Our make-shift operation lasted for about 2 days before we ran out of gas for the generator. Despite offering everything for free, our neighbors insisted that we accept payment. The whole experience became our company's most defining moment. We went from a new and unknown spot to a neighborhood institution. Our significance in the community was instantly solidified and we built friendships and loyalties that we still enjoy today. We're not yet exactly sure how, but we think this crisis presents the same type of defining opportunity for our company, and our industry. What the Council is currently proposing will help us all get form where we are now to that moment and for that we are beyond grateful.

If there is anything we can do to assist in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Dave Plate'.

Dave Plate
CEO, Randolph Beer
dave@randolphbeer.com
646-242-3496

77 Sands Street
Brooklyn, NY 11201
randolphbeer.com
@randolphbeer



Virus relief package... NO

Good morning. I am a resident of Chelsea and a small business owner. I am reading about the proposed virus relief package, and when I read it I think that the council is out of touch with the reality of nyc life. I live in a small coop building that has retail stores.

The tenant protections in the legislation would bar marshals and sheriffs from collecting debts or performing evictions for residential or commercial tenants affected by the virus until next April and give renters more time to repay their rent

Our coop is made up of 10 families, and we rely on the rent from the commercial stores that we have. We are obviously willing to share the burden of this virus with them, but we cannot possibly go until next April before collecting any rent. All you would be doing is transferring the loss from them to us. Who helps us out? Maybe you should work to have NYC lower the property taxes of every building that forgives rent.

Everyone thinks that all landlords are these cash rich corporate entities, but that is certainly not the case in NYC. As I mentioned, I am a small business owner who has been severely impacted by this. On top of that, you want me to bail out other businesses?

John J. Kennedy, CDMM®

JK Daily Money Management LLC

646-924-5605

johnk@jkmoneymgmt.com

www.jkmoneymgmt.com



AGING (i)fe CARE™

A S S O C I A T I O N

— CORPORATE PARTNER —



Alliance for Downtown New York, Inc.
120 Broadway, Suite 3340
New York, NY 10271
212 566-6700 Fax 212 566-6707
www.DowntownNY.com

Testimony of Jessica Lappin, President of the Alliance for Downtown New York on Int. 1908

Joint Committee on Small Business and Committee on Consumer Affairs and Business Licensing

Hon. Mark Gjonaj, Chair and Hon. Andrew Cohen

April 29th, 2020

Like the rest of the city, the novel coronavirus has had a devastating impact on retail in Lower Manhattan. Only a small number of “essential” businesses have managed to stay open and provide critical services to our 63,000 residents, healthcare workers and first responders in the neighborhood. Some of them are food service establishments - and they desperately need our help. That’s why I am urging the immediate passage of Intro. 1908, which prohibits third-party delivery services from charging restaurants more than a 10% fee per order.

Our local restaurants, which already operate on razor thin margins, are facing a once in a generation crisis. They may be serving takeout and delivery, but are likely doing so at a loss just to keep their doors open and staff on payroll.

And yet, they are being charged exorbitant fees by delivery apps such as Seamless and Grubhub. While these apps have become an integral part of New York’s foodscape, these outsized fees are massively eating into what little profit restaurants are able to realize today. Charging a 30% fee, especially during an unprecedented crisis, is unconscionable.

We are also supportive of some of the other measures you are considering today, like prohibiting apps from charging restaurants for telephone orders that did not occur, requiring the disclosure of commissions to customers, and creating a new licensing and regulatory system for these apps. But, by far and away, the single most impactful thing you could do is limit the amount that third party delivery services can charge our food service establishments by passing Intro. 1908. We commend the City Council for taking action to support vulnerable small businesses and encourage the swift passage of this much needed legislation.

About the Alliance for Downtown New York: *The Alliance for Downtown New York operates one of the largest business improvement districts in New York City. It manages the Downtown-Lower Manhattan Business Improvement District (BID), serving an area roughly from City Hall to the Battery, from the East River to West Street. For more information visit downtownny.com.*

###

Proposed Hazard pay

Dear Speaker Johnson

The bill before city council to force small companies to pay hazard pay is outrageous. Small businesses like mine are already hit hard. There has been an 87% increase in minimum wage in four years. This proposal will bankrupt more small businesses.

I am adamantly opposed to the bill.

Regards,

Robert Kotch

President

Breakaway Courier

444 W 36th St.

New York, NY 10018

212-946-7788 desk

Robert Kotch <rkotch@breakawaycourier.com>

In support of your COVID-19 bill for commercial tenant relief

Dear Speaker Johnson,

I'm a small business owner in your district (I opened a new food hall called The Deco Food + Drink at 231 W. 39th St. in the Garment District in December 2019), and I'm writing to express my strong support for the bill that you recently introduced to the City Council to nullify personal liability provisions in commercial leases like mine (including in the good guy guaranty, which I have in my lease) where the commercial tenant was impacted by COVID-19.

In my case, we shut down the food hall on March 17, 2020 in response to NYS and NYC government orders. I very much hope to re-open the food hall when the COVID dust settles, but uncertainty about my rent obligations is a huge barrier to my business's ability to survive. If passed, your bill would have a significant positive effect on leveling the playing field between commercial tenants and our landlords when the time comes to renegotiate our leases (which will absolutely need to happen in the majority of cases for hospitality business owners -- otherwise, a large swath of us will go out of business for sure).

Thank you for what you're doing to persuade your fellow council members of the critical importance of this bill. I very much hope that the council votes to enact your proposal.

Sincerely,

Doris

--

Doris Huang

Owner, The Deco Food + Drink

doris@thedeconewyork.com

650-283-8884

Opposition to Proposal

Dear Mr. Speaker:

As a business owner with our main office in your district, please add my voice to those upset with the proposal requiring businesses to pay extra money to employees as "hazard pay" during the pandemic. COVID- 19 is wreaking enough havoc on businesses, and we are all struggling to stay afloat. Our customers pay rates for services based on previously negotiated contracts. Even if we could renegotiate those agreements now, it is not as if we are able to reach people, get lawyers involved, and put new agreements in place. To add this burden to businesses is just not reasonable. And we want to stay in business, so we can continue to provide our employees with the jobs they love!

Thank You,

Jay Waldman

jwaldman@selectexp.com

Covid19 Legislative Relief Package / I am a friend and Nieghbor of
Stefan Campbell

Dear Mr. Johnson,

I SUPPORT THIS PACKAGE.

You are doing a fantastic job for us hard working citizens. As a
restaurateur this is more important than EVER.

Thank you for all that you do.

Good luck Wednesday and be well,
Judi Wong

cafecluny.com
theodeonrestaurant.com
cafeluxembourg.com

Proposed regulations

I wanted to reach out in support of several of the city councils' proposed new policies aimed at supporting small businesses in New York City.

I am a small business owner and operator in the West Village, with a casual cafe called Village Den. Although a successful eatery, our margins are thin as are all restaurants, especially with New York commercial rents.

I stand strongly in favor of your proposed bill to provide relief to commercial renters in the form of pausing evictions and debt collections for both residential and commercial properties until April 2021.

I also strongly stand in favor of your proposed bill that will suspend personal liability provisions in commercial leases.

I lastly appreciate your proposal to waive annual sidewalk fees.

Please let me know if my voice can be of any help in this moving forward.

Best Regards,

Lisle Richards
Owner
Village Den
[lisle@thetric.com]

Tax Relief along with eviction moratorium!

Dear Council Speaker Corey Johnson,

I am writing about the proposed new eviction law that the New York City Council is currently considering- a new local law that will declare a moratorium on evictions until April 2021, a move instigated by the pandemic.

While this addresses a problem that is real and for which this law represents a humanitarian solution it will set into motion a humanitarian disaster for building owners who will be destroyed by not being able to pay their real estate taxes if a tenant is paying no rent and no tax relief for the building owner is forthcoming.

Those of us building owners paying dizzying real estate taxes will be out of our homes in desperation. For example: the many coops in Soho who rely on our ground floor tenant's rent to pay our taxes. I am the president of just such a building. Our tenants simply cannot cover the taxes by a long stretch given how high those taxes are currently with no rental income for many months under this law as it is written.

Our commercial tenant is part of an ecosystem that includes us as well. Tenants and building owners both need relief if the humanitarian aim of this law will work.

Please rewrite the proposed eviction law to include a tax freeze for building owners.

Sincerely,
Sarah Walker
Board President
138 Prince Street
NY, NY 10012
917-270-5775

COVID-19 Relief Package

David McGoldrick
Partner and Manager
Marjen & Family LLC and Marmelade LLC
124 East 72nd Street
New York, NY 10021

Dear Council Members,

First, I hope that you are doing well and staying healthy. Obviously, these are very trying times and the safety of our families and communities is of paramount importance.

I am writing to express my concern over proposals that are being considered by the City Council to protect New York City tenants during this crisis. Let me say that my family and I have been landlords in New York since the 1940s, and I think a survey of our tenants would confirm that we have always been diligent and responsive to them and their needs, but now I AM WORRIED ABOUT LOSING OUR BUILDINGS!

Obviously, there's so much trouble going around right now that there is plenty to share, and we are willing to do our part to keep our city safe and successful, but I do not think that the proposals being considered by the City Council will achieve that objective. In fact, they will, by virtue of human nature, do just the opposite. Both residential and commercial tenants are practically being encouraged to withhold their rents and eventually to walk away from their leases when grace periods expire. It simply cannot be so one-sided. The City Council must take into account the health and financial well-being of both landlords and tenants in crafting legislation. As it is now, it seems as if landlords are slated to be the city's safety net, with no discussion of how landlords are supposed to keep up with taxes, insurance, utilities, maintenance and so on, to provide the services that keep tenants safe and secure.

If this sort of legislation passes, building owners will essentially have no way to enforce the collection of rent from anyone claiming, without any evidence, to have been negatively impacted by the COVID-19 crisis. While it is understandable that there is concern for tenants, this sort of sweeping mandate will be devastating for owners. Any relief and protection for tenants must be coupled with the same for landlords, whether that entails measures to abate or delay collection of property taxes or many of the other bills that owners must pay, and to make it incumbent on tenants to show that they are unable to pay their rent due to COVID-19, and to make arrangements for them to catch up when the economic situation improves. If owners aren't extended commensurate relief then the outlook for the residential housing stock will be bleak indeed: tax defaults, mortgage defaults, reduced or non-existent maintenance, and the exposure of landlords to predatory lenders and buyers; people and entities who do not have the same devotion to fair play and the responsibilities that tenants and landlords must share.

I know it's not easy to come up with a comprehensive plan, but you must not implement a shoot from the hip solution that ignores the complexity of the existing system and instead imposes a draconian and unsustainable burden on just one group of stakeholders.

Thank you for your time. Be well.

Sincerely,

David McGoldrick
david@1919films.com

Dear Speaker Johnson,

First I hope you are doing well in this crazy time.

This email is in regards to the File # Int 1932. We are very concerned about the discussions regarding the passage of the bill.

We manage 15 buildings in East Harlem, Central Harlem, East Village and etc. Of which, there are 6 mixed use and 9 multifamily properties. It is a small representation of New York City's neighborhoods. Landlords, businesses, shops as well as tenants are all suffering from the pandemic. Not one group has escaped from this crisis.

1. The int 1932 bill has single-handedly alienated landlords as scapegoats. The group has helped city collecting tax revenues, funding police, reviving economy, keeping tenants in affordable homes. City counsel can't interfere with private business contract rights and obligations. It is unconstitutional.

2. The eviction moratorium proposed will hurt not only the landlord, it will have trickled down effects to the property itself, other businesses and eventually New York City.

We urge you NOT to pass this bill or similar measures that alienate landlords. It will have tremendous blow to our businesses, impacting many many other businesses. If this passes, the unimaginable economic consequences will be felt by the tenants, landlords and communities in the years to come.

I will be happy to discuss further if you like. I can be reached at 917 560-6274.

Regards,
Danielle Sun

Stop trying to punish business and property owners. These stories are insane and reflect how out of touch leftists and leftist politicians are with reality. I'm convinced you're all traitors trying to destroy the city and country as a whole. Also shutting down evictions and making it seem it's ok to not pay rent is also insane and irresponsible. You're turning this city into a cesspool.

<https://therealdeal.com/2020/04/24/grocers-well-shut-down-if-city-council-mandates-rona-bonus/>

<https://ny.eater.com/2020/4/22/21231018/nyc-restaurant-coronavirus-city-council-legislation>

Sent from phone

David Brotsky

212.863.9665

<https://davidbrotsky.com>

Location and Production Services

Licensed Real Estate Professional

virus relifer package

To Whom It May Concern,

I, like most of my colleagues in the bar and restaurant industry, are obviously watching the proceedings of the City Council with bated breath. I'd like to offer an individual case for your consideration - mine - hoping it might shed just a little more light on the situation. My tavern, The Ginger Man, opened in 1996 and has been a midtown Manhattan (36th Street) favorite since then, especially with the craft beer movement community. We have run fundraisers for environmental causes, disaster relief efforts, and have worked closely with our neighborhood and local police department. For our employees, hundreds since we opened, we make sure that their workplace is friendly, fair, and safe. No employee, or vendor, or government agency has had invoices go unpaid, or even had to wait for payment, in our near quarter of a century of doing business. Seems unlikely, I know, but this is a matter of record. After 20 years of wonderful New York business and experiences our lease expired 5 years ago and we found ourselves, coincidentally, with a new owner of our space. This new landlord, only occasionally in New York, rewarded us for our efforts with a doubling of our rent - far in excess of what our neighbors were paying, and when I complained he responded by putting the condo common charges *on top of* the 100% increase. Our business life changed overnight, and what was a pleasure for all became difficult, but we pressed on. However, he wasn't done with us - he demanded a personal guarantee, defined and qualified by a Good Guy Guarantee. This guarantee, as you know, came into being in NYC to add some measure of sanity to PG's - LL's could have their guarantee, and tenants could have a way out; standard clauses have a 3 month notice of intent to close, forfeit of all security deposits, and a handover of the keys. If the tenant was current in rent, he could walk away. Not so with my LL - he devised a milestone formula - I could only give notice, with *six* months notice, only every two years. He gave me no choice but to sign on to these terms. Regarding the PG formula, I thought the likelihood of major catastrophe happening exactly when when one of those 2 year opportunities passed was far fetched, and that I wouldn't have to worry about it. The last window was this past January. So, with my nearly \$55,000 rent I am looking at financial ruin if he were successful in enforcing the PG for another 2 years. Aside from being patently unfair and bad for business in the city, the logic is lacking - if the space in question (11 E36th St) was rentable at \$55,000 a month, why would any LL need to have more than 5 months security to do so (my 2 month's security deposit + the 3 months of notice)? In this scenario, he is demanding 2 years. I hope the City Council moves to remove these onerous PG's, and also to provide necessary rent relief for our industry.

Thank you.

Sincerely,

Robert Precious
bptgm1@gmail.com

Ümit Yolcu

Good afternoon Mr. speaker, I'm pleased to see you and the council taking a much needed initiative in providing assistance to essential workers, as many of us across the city have had our hours cut in response to the ongoing situation. I feel it would be very beneficial to a lot of struggling individuals and families working through this pandemic to keep our great city running as best we can, and the added bonuses would mean a world of difference in providing financially for our loved ones. Im sure the great members of our council will get this passed without delay, and im writing to you today to request that upon passage it also be applied to all essential workers retroactively, dating back to the beginning of the shutdown, when we all as a city began to feel the impacts of COVID across many areas of life. I appreciate you taking the time to read this and will look forward to seeing you all take the needed steps to protect our essential employees in these times of uncertainty.

Best regards,

Ümit Yolcu

Commercial rents

On commercial leases for stores that the store owner gave personal guarantees. All small business owners make their dream their small business , they'll do most anything to go into business including giving their personal guarantee putting themselves and their family into catastrophic ruin.

Please outlaw any such practice, especially in this time of virus. Also taxi medallion owners whose medallion has collapsed, have lost everything, they also should be treated equally.

MICHAEL SIMON <nycmls@aol.com>

Commercial rent help for small business

My family has a small business. The measures you have proposed with regard to tenants having large commercial rents would be very helpful to us and may have the effect of saving our business.

Thank you. I hope you are successful in this effort.

Margie Katz

<margie.katz@icloud.com>

Small business owner in FiDi received notice of default

I am writing to you to pass along information that is pertinent to the proposed new legislation. I have owned and operated a small business in NYC for 20 years and am currently located in the financial district. I have been at that location for over 5 years and have a 10 year lease.

We have struggled to stay afloat but have managed to remain current with all of our vendors and our landlord through March of this year. We are in the entertainment business on the production side and have no way to produce revenue during this health crisis.

I received a “Default Notice” on Monday, April 20 with a 5 day cure. There is no \$ to pay the balance of my April rent.

It certainly seems extreme to receive a “Default Notice” already especially since I was current through March, but our landlord, Moinian, is obviously taking a very aggressive stance.

I felt you should have this information from another small business owner.

Sincerely,

David Baker

ENDEAVOR studios

endeavorstudios.com

212-645-2641

90 John Street

Suite 301

NYC 10038

Fulton St. Subway Station

2,3,4,5,A,C,J,Z Trains



Hello Mr. Reynoso and Mr. Johnson

As a resident of Greenpoint, I am writing to you in support of several options being discussed at today's meeting. They include the following:

Pushing for Open Streets- the proposed 75 miles is a bare minimum for a city of 8.5 million and over 6000 miles of roads- I urge you to push for many times that number- perhaps 10% of roads could be closed, at 600 miles, giving millions of New Yorkers safe space to breath and be outside- as well as creating safe zones for essential workers to move about the city and avoid and heavily overcrowded subways. This could work to open up bike lanes, as well as bus only lanes- again reducing subway use.

Rent/eviction freeze- Please support the rent/eviction freeze, as New Yorkers need to be able to continue living in their homes safely and without the worry of becoming homeless- particularly in a crisis. We already have tens of thousands of homeless, each of whom should be given a guaranteed apartment- there are thousands if not tens of thousands of empty apartments across the city-USE YOU MASSIVE AUTHORITY as the City Council to force these apartments to be rented out to those who need them. You have the power- USE IT.

Essential worker benefits- as the first city in the US to offer full medical coverage, you must make this process instantaneous and paperwork free- while also heavily promoting it to all New Yorkers. All workers, not just essential workers, need a job and payment guarantee, with special attention paid to those keeping us all alive- food workers, hospital staff, etc. We must make it as safe as possible for them to continue supporting all of us- see the above comments as well.

The above are a good starting point. As the wealthiest city in the US, and one of the wealthiest in the world, I expect to see you support ALL New Yorkers through this crisis and beyond, guaranteeing us a decent quality of life no matter what.

Thank you, and I look forward to watching what you do,
Cameron Shore

--

Cameron Shore

M.Arch, CCNY 2017

<cameronshore@gmail.com>

Pending legislation on tenant protections

Speaker Johnson,

Some tenants are concerned about landlords tacking on fines for late payment of rents which may be written into lease riders. When considering legislation to protect renters who are unable to pay rents now, I suggest that a ban be explicitly included to prevent this from happening. Thanks.

Rosalie Grossman
151 W. 16th St.
<mailto:rggrossmandsw@gmail.com>



April 28, 2020

Dear Chair Gjonaj and Members of the Small Business Committee:

United for Small Business NYC ("USBnyc") is a coalition of community organizations across New York City fighting to protect small businesses and non-residential tenants from the threat of displacement, with a focus on owner-operated, minority-run businesses that serve low-income and minority communities. The threat of displacement to New York City's small businesses and non-profits has been exacerbated by the COVID-19 crisis.

Our members and clients (small businesses, sole proprietorships, cooperatives, street vendors, and non-profits who provide goods and services to the public) are seeing a catastrophic drop in income, up to 100 percent and many will not be able to resume normal operations for many months. Because of this, we need swift action to protect small businesses and non-residential tenants from displacement and closure. We applaud the relief package introduced by Speaker Corey Johnson and Members of the Council, including two bills before this Committee: Int. Nos. 1914 and 1932.

These measures, however, are only a start. Most significantly, our members and clients need rent relief. No one should be profiteering from the crisis, including banks, creditors, large landlords, and corporations. Small businesses and their employees, who are the least able to bear the financial burden of the shutdown, should not be forced to do so. Rent relief is critical for commercial tenants who have no source of income and those who have seen drops in revenue due to government restrictions. The City has the legal authority to suspend rents for commercial tenants impacted by the pandemic and the appropriate government response to it. It can create a mechanism through which small landlords that can demonstrate they need assistance as a consequence of missing revenue apply for it.

Introduction Number 1914: Harassment of Tenants Impacted by COVID-19

Small businesses often find themselves subject to harassment by their landlords. Broadening the definition of harassment to include tenants impacted by COVID-19 or those who receive rent concessions or forbearance during the COVID-19 period demonstrates our commitment to protecting the most vulnerable small business tenants.

While we believe this protection could be made stronger by expanding protections to all commercial tenants, regardless of whether they receive any form of rent concession or forbearance, we also highlight that small business tenants rarely have the resources to exercise their rights under the harassment statute as it entails hiring a lawyer to go to court. In fact, very few commercial tenants have ever filed harassment cases against their landlords.

We recognize that this bill may provide leverage and protection to small business tenants, but we also reiterate that tenants are facing harassment due to their inability to pay rent at this time. Int. No. 1914 does nothing to suspend the obligation to pay rent. Small business tenants need rent relief in addition to these protections.

Introduction Number 1932: Personal Liability Provisions of Leases for Commercial Tenants Impacted by COVID-19

Small businesses signing leases in their entities' names often have little or no assets in their businesses' names, so many small business owners sign personal guaranties to induce

landlords to give them commercial leases. This can put owners at risk of personal financial ruin if they are unable to meet their lease obligations. With the mandated closures, many small business owners are facing this risk right now. We support this legislation, but it must be strengthened to clarify that it expands coverage for the City's small businesses in three ways.

First, the "COVID-19 period" is too short. While businesses may reopen before September 30, 2020 (or the applicable later date as specified in the legislation), the financial ramifications of the virus will last beyond this period. Furthermore, many small businesses and non-profit cultural spaces that rely on public assembly may not be fully operational for long after the COVID-19 period.

Second, the definition of "personal liability provision" is ambiguous and underinclusive and may leave some of USBnyc's most vulnerable members and clients with personal financial exposure. Many commercial leases include guaranty agreements that are executed simultaneously with the leases but that are separate documents, rather than as provisions within the leases themselves. Personal guarantors signing such guaranties must be protected by Int. No. 1932 for the legislation to have its intended effect. Further, many small businesses do not have legal entities and sign leases in the name of a d/b/a or in the business owner's name. These business owners have not signed guaranties, but they face substantial financial risk and should be protected from personal liability where they are unable to pay their rent because of COVID-19.

Lastly, the legislation states that no personal liability provision may be "enforced" during the COVID-19 period, but it is unclear what "enforced" means. As written, this bill may prevent a landlord from suing an individual to enforce a guaranty during the COVID-19 period, but it will not prevent that individual from being personally liable. New York City's small businesses are protecting the public by remaining closed or operating at a reduced capacity right now, but their owners should not face the possibility of long-term legal liability for their mandated closures or reductions once the COVID-19 period has passed.

Our coalition supports Introductions 1914 and 1932 and the Council's intent to provide some relief to the City's most vulnerable small business owners and their employees. However, the small business community should not be expected to continue paying rent without income in a city where commerce has come to a halt. We urge the Council to take additional measures of rent relief are necessary to ensure small businesses are as prepared for the long-term economic effects of the virus as possible.

Sincerely,

United for Small Business NYC

- Association for Neighborhood & Housing Development
- Brooklyn Legal Services Corporation A
- Chhaya CDC
- Cooper Square Committee
- Municipal Arts Society of New York
- NYC Artist Coalition
- NYC Network of Worker Cooperatives
- Street Vendor Project, Urban Justice Center
- TakeRoot Justice
- Volunteers of Legal Service
- Women's Housing and Economic Development Corporation



Good afternoon Council Members,

My name is Mohamed Attia, I'm the Executive Director of the Street Vendor Project at the Urban Justice Center.

The Street Vendor Project is a member-led organization that advocates for street vendors' rights and fights to improve their working conditions.

While street vendors have been dealing with an outdated, unjust system that was created four decades ago that has impacted their livelihoods dramatically and makes it quite impossible for them to be financially secure, we've recently seen that the effect of the COVID-19 pandemic has made it even more dire for them to sustain their livelihoods.

Street vendors are the smallest businesses in our City, they're mostly hard-working immigrants and military veterans, single mothers and low-income New Yorkers who live day by day to survive and thrive in our City.

They serve all New Yorkers across the City, contribute to the local economy, create jobs and pay taxes just like any small businesses, but yet, they're still excluded from all government relief programs.

The vast majority of Street vendors are not eligible for any small business assistance provided by the Federal Government or the City Government, as sole proprietors.

Not to mention that thousands of street vendors who are undocumented and in mixed immigration status families haven't received a dime from the government during this crisis, although they've been paying their fair share of taxes and fees just like other businesses or workers in NYC.

It's disappointing that today's hearing and the various legislations that are being introduced and discussed today don't offer any support to street vendors.

Last month 8 Council Members signed a letter with a list of demands that the street vendors community needs to survive during this pandemic, including:

- Create granting opportunities via NYC Small Business Services for sole proprietors, that microbusinesses including street vendors are eligible to receive
- Ensure workers who are employed by food cart or truck owners, regardless of immigration status, are eligible for any forthcoming emergency relief funds for workers
- Immediate suspension of all NYPD, DCWP, DOH and Parks Department enforcement of street vendor compliance violations that do not significantly impact public health and safety, regardless of whether the vendor has a permit or a license

- Waive outstanding tickets issued since January 2020, as vendors will be unable to work for the foreseeable future
- Ensure street vendors are included in NYC Department of Education childcare plan for frontline workers

We haven't yet received a response from City Council Speaker Corey Johnson to these demands, and our community needs the support of the whole City Council at this moment.

It's unfair and unacceptable to see how NYC government is excluding a population of nearly 20,000 people who are part of the most vulnerable communities during this health crisis.

Street vendors are essential workers who have been feeding our City since its establishment, and it's so disappointing to see the government ignoring them in such a crisis.

We urge the City Council to introduce and pass legislations that support small businesses, such as, but not limited to, bodegas, small mom-and-pops stores, and street vendors who are mostly owned and operated by immigrants that use traditional methods in running their businesses, and mandate the City's Administration to create relief programs that suit the most vulnerable communities in our City.

Thank you,

Mohamed Attia.



TESTIMONY

Preliminary Budget Hearing:
“New York City’s Worker Cooperative Business Development Initiative:
Worker Cooperatives As An Economic Development Strategy”

Presented to

New York City Council, Committee on Small Business
Hon. Mark Gjonaj, Chair
Wed, April 29th, 2020

Prepared By:

Pablo Benson Silva, Director of Membership & Communication
New York City Network of Worker Cooperatives (NYCNoWC)

New York City Network of Worker Cooperatives

495 Flatbush Ave. Suite 2 Brooklyn NY 11225

Phone: (212) 390-8178

Good afternoon, Chairperson Gjonaj, and the distinguished members of the New York City Council Committee on Small Business. My name is Pablo Benson-Silva, and I'm the Director of Membership & Communications for the New York City Network of Worker Cooperatives (also known as NYC NoWC). I'm here on behalf of the partner organizations of the Worker Cooperative Business Development Initiative (WCBDI). While the city has provided rapid response to small businesses, many of those resources have unintentionally excluded worker-owned businesses from having access to employee retention grants or emergency loan programs. ***This is especially urgent as 70% of worker-owners in NYC are immigrant workers with significantly less access to federal relief and benefits.***

During these critical past weeks our partners in the WCBDI, in collaboration with SBS and other agencies, have done an extraordinary amount of work to respond swiftly to the unique challenges that worker cooperatives face, ***but we are also deeply concerned about what will happen to these businesses if the organizations contracted by the city do not continue to be supported by city council.*** Although worker cooperatives are [structurally more resilient than traditional businesses in times of crisis](#) -i.e. none of the cooperatives we work with have reported layoffs since the shelter at home orders have been issued--they nevertheless urgently need the same kinds of government support accessible to most small businesses, but for which they don't qualify for various idiosyncrasies of the worker-ownership business model. As the majority of worker cooperative businesses are both immigrant and minority-owned, we are finding that the challenges and disproportionate impacts facing immigrants/communities of color during this crisis are surfacing in the support available and necessary for their businesses to survive as well.

In the wake of the COVID-19 pandemic, thousands of NYC small businesses find themselves in a very perilous situation. We are in the midst of a pandemic that will define a generation, and on the precipice of an economic crisis. While uncertainty reigns, our response must be informed by the lessons from past economic shocks and be rooted in the principles of solidarity, racial equality, and cooperation. For meaningful and swift action to save jobs and main street businesses, worker ownership must be an essential part of the response and WCBDI partners are positioned to support this in the following ways:

- **Create businesses with vulnerable populations:** This initiative partly grew out of worker cooperative development with communities that were hard hit by Hurricane Sandy. WCBDI organizations supported vulnerable populations who lost work to create worker owned businesses that were relevant to the particular recovery moment, such as construction businesses that supported rebuilding. We know how to support workers emerging from a crisis, and we can provide that support again.
- **Convert traditional businesses to worker cooperatives:** Support businesses in danger of closing to sell their businesses to the workers and convert to a worker cooperative. WCBDI partners provide education and training, financing and expertise to make this possible.
- **Embed worker cooperative education in workforce development programs:** Many individuals are going to be out of a job. While workforce training is helpful, it does not

support folks finding jobs if there are no job opportunities. Providing alternative education about democratic ownership helps individuals understand there is another way.

- **Youth Employment:** Worker cooperatives present a safe and low barrier way to organize and stabilize youth working in precarious and informal employment, allowing them to pursue self-employment and develop entrepreneurship skills. WCBDI partners have already launched worker cooperatives with good work and career development opportunities for those just entering the workforce, and importantly integrating youth workers with barriers to entry, including returning citizens and DREAMers.

We ask city council to enhance our funding to \$5.04 million in order to for us to double down on the essential long term economic recovery work that will be needed to claw ourselves out of this crisis

We thank the City Council for the opportunity to testify. We hope that you will consider our budget priorities and recommendations during this year's budget negotiation process.



Good afternoon Council Members,

My name is Carina Kaufman-Gutierrez, I'm the Deputy Director of the Street Vendor Project at the Urban Justice Center.

The Street Vendor Project is a member-led organization that advocates for street vendors' rights and fights to improve their working conditions.

While street vendors have been dealing with an outdated, unjust system that was created four decades ago that has impacted their livelihoods dramatically and made it quite impossible for them to be financially secure, we've recently seen that the effect of the COVID-19 pandemic has made it even more dire for them than it has been to sustain their livelihoods.

Street vendor small business owners have been hit hard by the COVID-19 outbreak. During the first few weeks of the outbreak, most vendors were continuing to work while taking precautions, but saw their sales drop by up to 80-90%.

Vendors serve all New Yorkers across the City, contribute to the local economy and culture, create jobs and pay taxes just like any small businesses, but yet, they're excluded from almost

all existing government relief programs. As primarily immigrant small business owners and workers, the many of whom are undocumented, and/or cash economy workers, Street Vendors are ineligible for government support such as paid sick leave, unemployment insurance, or even most loans and grants offered to small businesses, making an already dire situation critical.

Small businesses, including vendors, are the cornerstones of our communities and some of our constituents are reporting record income losses of up to 100%. Many fear they will be unable to reopen after the crisis. Although small business loans and grants exist, in practice we have found that many immigrant small business owners and sole proprietors are ultimately ineligible due to monolingual English application documents, extensive documentation required, and extensive eligibility criteria.

Immigrant-owned small businesses comprise 48% of New York City's roughly 220,000 small businesses. Immigrants employ nearly half a million New Yorkers and contribute \$195 billion to the city's gross domestic product (GDP) annually. In order to ensure that they can continue these contributions, we ask for the creation of a NYC Immigrant Small Business Grant, with the following parameters of eligibility:

- Ensure that eligibility is not dependent on commercial rent payments, utility bills or payroll;

- Confirm that no immigration status reporting is required, either for employer or employee;
- Allow for adequate documentation to include that which is suitable for cash transaction reporting, such as reporting daily sales on written ledgers, or end of day counts;
- Ensure all promotional and application materials are in multiple languages; and
- Allow for a mobile food vending license or permit, general merchandise license, tickets received for vending, or proof of quarterly sales tax filings to be sufficient proof of sole proprietorship.

We urge the City Council to introduce and pass legislations that support small businesses, such as, but not limited to, bodegas, small mom-and-pops and street vendors who are mostly owned and operated by immigrants that use traditional methods in running their businesses, and mandate the City's Administration to create relief programs that suit the most vulnerable communities in our City.

It's unfair and unacceptable to see how our NYC government has yet to respond to create a response to support street vendors, thereby excluding a population of nearly 20,000 people who are the most vulnerable communities at the

moment, and we urge you to take action to ensure all New Yorkers emerge from this crisis safely.

Thank you,

Carina Kaufman-Gutierrez



April 28th, 2020

To: New York City Council
Re: WCBDI work as essential

Dear City Council:

For many years, WCBDI has championed equitable economic development through the creation and support of cooperative businesses. That work, always very important, has suddenly become a central need for New York City as the COVID-19 crisis.

Not only do small businesses we support need continued and additional support, but a great number of small business owners who were considering retirement are now choosing to just shut their doors, and a purchase by their workers for conversion to worker ownership is one of the few options that could save these companies. No financial support can help find new leadership for these companies, and one of the only concrete solutions that has been proposed is the work of WCBDI to create worker-owned cooperatives as a solution to keep these business from closing down.

It will take extraordinary work to rebuild New York City in the wake of this crisis. WCBDI offers one of the most concrete options the city has to keep tens of thousands of jobs from vanishing in a small business closure crisis and rebuild robustly. The reward for using cooperatives to rebuild is that not only can we save and grow as much of our economy as we can, we can do it more equitably as well.

Brendan Martin
Executive Director
The Working World

Dear Hearings,

The NYC restaurant and nightlife industry are in crisis due to COVID-19 and we need your urgent support. As the operator of a business in your district, I URGE you to SPONSOR and PASS the following critical legislation that will support small businesses in your district, giving us a fighting chance to survive: Int.1932 that prohibits the enforcement of personal liability provisions in commercial leases related to COVID-10 so New Yorkers don't lose their personal assets in addition to their businesses, Int. 1908-A that caps excessive third-party delivery fees restaurants pay at 10%, and Int. 1916 which waives (or refunds) expensive sidewalk café fees in 2020. In all, I urge you to:

Please SUPPORT: Int. 1896, Int. 1897, Int. 1898, Int. 1907, Int. 1908-A, Int. 1914, Int. 1916 and Int. 1932

I am also asking you to Please OPPOSE: Int. 1846, Int. 1895 and Int. 1921 – while well intentioned, these bills create unnecessary new regulatory burdens on small businesses at a time they can least afford it.

Thank you for your consideration and support of neighborhood small businesses during the crisis.

Sincerely,

John Koumpourlis

johnkoumpourlis@gmail.com

29 Wellington Road Greenvale, NY 11548 Constituent

I, Isabel Urbina, would like to testify about the situation I'm in with my Commercial Landlord. I have rented a space for 4 years from them, 2020 is my fifth year in the space. In this time, I've experienced a number of issues, such as lack of proper insulation and insufficient heat for working conditions, massive leaks, mice and rodents, ceiling issues, lack of restrooms on our floor for over 3 months, and many more. It's been really difficult to get any type of relief from the landlords, who tell us they have fixed the issue, but all of these issues persist after 5 years. Nevertheless, I have never missed rent, and had been lenient with the owners.

Now facing COVID-19, myself along with other tenants working together as a building, contacted the Building's Management and Landlords asking to reach an agreement as a group. Since we can't access the space because of the New York shelter in place rules and the fact that we are not an essential business, we feel we need to share the rent responsibilities and get a reduced rent fee.

The management has negated the possibility of any discounts or relief on multiple occasions. The only thing they have offered is to defer rent until June or leave the space. We have explained that this is not possible for us, because COVID-19 has deeply affected our jobs and income since we are mostly independent artists and small businesses. We have tried to get legal help and support from our Senate, but have failed to successfully find anything that could help us land on our feet in this long road ahead of us.

I'm not sure how much my testimony can help, but I, Isabel Urbina, ask the New York City Council, to support the people that are making it the special place it is. A place where we come to make our dreams come true and with our hard work and sweat, continue enriching such a varied and vibrant city. This is a big hit for all of us who decided to take a non-traditional route and bring something new to our city. I hope we can count with the support of the Council.

Thanks so much for your time,

Sincerely,
Isabel Urbina

Skrzypiec, Leah

From: Colson, Brandon on behalf of Speaker Corey Johnson
Sent: Tuesday, April 28, 2020 3:20 PM
To: NYC Council Hearings
Subject: FW: Small Business Owners oppose Intros. 1918 and 1923

-----Original Message-----

From: Daniel Novick (dnovick@westsidedonut.com) Sent You a Personal Message <automail@knowwho.com>
Sent: Tuesday, April 28, 2020 3:17 PM
To: Speaker Corey Johnson <speakerjohnson@council.nyc.gov>
Subject: Small Business Owners oppose Intros. 1918 and 1923

Dear Member,

Dunkin? Brands is a 100% franchised system comprised of small business owners / franchisees. As one of these franchisees, who own and operate over 250 restaurants employing over 5,200 hardworking New Yorkers, we oppose Intros. 1923-2020 (Just Cause) and 1918-2020 (Premium Pay). These bills seek to impose exorbitant costs on our already struggling businesses at a time when many can barely afford to keep their doors open.

We implore the Council to stop pursuing legislation that creates such a hostile business environment in New York City for small business owners like ourselves. It goes beyond reason to think that during this pandemic that has forced businesses to pause to help contain the virus, that now would be a good time to impose new costs and restrictions on the few businesses that are fighting to stay open, provide jobs and serve the heroes who are working to help keep our city healthy and safe.

Intro 1923-2020 ? Just Cause

Intro 1923-2020 seeks to prohibit wrongful discharge: ?An essential employer shall not discharge an essential employee who has completed such essential employer?s probation period without just cause.? As a community which employs thousands of New Yorkers, we can attest that we value our employees and invest considerable time, training, and resources into every new hire.

Our employees are the face of our business, and therefore one of the most important parts of the Dunkin? business model. We maintain high standards and train employees in customer service, food safety, and health procedures, while creating opportunity for further career development. According to the National Restaurant Association, nearly one-half of adults got their first job experience in a restaurant. This legislation fails to account for the human aspect of the service industry. A positive attitude is the foundation of good customer service. If an employee is consistently rude to customers, how do we document that on paper to the satisfaction of a government agency? What types of ?progressive disciplinary? measures are acceptable and for how long? Why is New York City government trying to micromanage small business owners?

This legislation could force Managers at restaurants like ours to keep staff employed who may:

- * cause food and beverage safety and health issues;
- * cause scheduling issues that impact fellow employees and impede customer service;
- * provide poor customer service overall;
- * bully others or create a hostile work environment; or
- * any other number of scenarios.

The legislation also limits our ability to reduce hours, which in the current environment may be necessary to keep our businesses open.

In addition, it creates uncertainty for employers and invites increased litigation, which is both costly and time consuming for a business operating on extremely thin margins.

Intro 1918-2020

Intro 1918-2020 requires businesses with 100 or more employees to pay each hourly worker a premium between \$30 - \$75 per shift during the pandemic. This legislation seeks to add debilitating costs to our restaurant operations during a time when we are doing everything we can to simply stay afloat. As it stands, franchisees are doing their part to stay open to serve essential workers like health care professionals, law enforcement and other first responders. Beyond that, many are already providing additional pay to their employees as a way to say thank you for their continued commitment and to help them provide for their families amid the pandemic.

The definition of "large essential employer" accounts for full-time, part-time, or temporary staff. Given that "the number of persons who work for an employer for compensation per week fluctuates," this legislation calculates business size by averaging number of persons who worked during the preceding calendar year. It is unrealistic to equate the previous year's labor needs to those of this year, when the New York restaurant and foodservice industry is expected to lose an estimated \$3.6 billion in sales and lay off 80% of restaurant employees by the end of April.

In summary, the New York City Council should understand that passing these bills will lead to more closed businesses and fewer jobs for New Yorkers. They will harm us, our employees, and our businesses, which we are trying to keep open in an already difficult environment.

We welcome the opportunity to discuss what it takes to own and run a small business.

Sincerely,

Mr. Daniel Novick
240 West 40th Street
New York, NY 10018-1510
dnovick@westsidedonut.com
(212) 395-9280

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with BIPAC. Please contact Kelsey Moncrief at moncrief@bipac.org or (202) 776-7467 for more information.

Skrzypiec, Leah

From: Colson, Brandon on behalf of Speaker Corey Johnson
Sent: Tuesday, April 28, 2020 3:14 PM
To: NYC Council Hearings
Subject: FW: Small Business Owners oppose Intros. 1918 and 1923

-----Original Message-----

From: Sachin Shah (sksmgmt@gmail.com) Sent You a Personal Message <automail@knowwho.com>
Sent: Tuesday, April 28, 2020 3:12 PM
To: Speaker Corey Johnson <speakerjohnson@council.nyc.gov>
Subject: Small Business Owners oppose Intros. 1918 and 1923

Dear Member,

Dunkin? Brands is a 100% franchised system comprised of small business owners / franchisees. As one of these franchisees, who own and operate over 250 restaurants employing over 5,200 hardworking New Yorkers, we oppose Intros. 1923-2020 (Just Cause) and 1918-2020 (Premium Pay). These bills seek to impose exorbitant costs on our already struggling businesses at a time when many can barely afford to keep their doors open.

We implore the Council to stop pursuing legislation that creates such a hostile business environment in New York City for small business owners like ourselves. It goes beyond reason to think that during this pandemic that has forced businesses to pause to help contain the virus, that now would be a good time to impose new costs and restrictions on the few businesses that are fighting to stay open, provide jobs and serve the heroes who are working to help keep our city healthy and safe.

Intro 1923-2020 ? Just Cause

Intro 1923-2020 seeks to prohibit wrongful discharge: ?An essential employer shall not discharge an essential employee who has completed such essential employer?s probation period without just cause.? As a community which employs thousands of New Yorkers, we can attest that we value our employees and invest considerable time, training, and resources into every new hire.

Our employees are the face of our business, and therefore one of the most important parts of the Dunkin? business model. We maintain high standards and train employees in customer service, food safety, and health procedures, while creating opportunity for further career development. According to the National Restaurant Association, nearly one-half of adults got their first job experience in a restaurant. This legislation fails to account for the human aspect of the service industry. A positive attitude is the foundation of good customer service. If an employee is consistently rude to customers, how do we document that on paper to the satisfaction of a government agency? What types of ?progressive disciplinary? measures are acceptable and for how long? Why is New York City government trying to micromanage small business owners?

This legislation could force Managers at restaurants like ours to keep staff employed who may:

- * cause food and beverage safety and health issues;
- * cause scheduling issues that impact fellow employees and impede customer service;
- * provide poor customer service overall;
- * bully others or create a hostile work environment; or
- * any other number of scenarios.

The legislation also limits our ability to reduce hours, which in the current environment may be necessary to keep our businesses open.

In addition, it creates uncertainty for employers and invites increased litigation, which is both costly and time consuming for a business operating on extremely thin margins.

Intro 1918-2020

Intro 1918-2020 requires businesses with 100 or more employees to pay each hourly worker a premium between \$30 - \$75 per shift during the pandemic. This legislation seeks to add debilitating costs to our restaurant operations during a time when we are doing everything we can to simply stay afloat. As it stands, franchisees are doing their part to stay open to serve essential workers like health care professionals, law enforcement and other first responders. Beyond that, many are already providing additional pay to their employees as a way to say thank you for their continued commitment and to help them provide for their families amid the pandemic.

The definition of "large essential employer" accounts for full-time, part-time, or temporary staff. Given that "the number of persons who work for an employer for compensation per week fluctuates," this legislation calculates business size by averaging number of persons who worked during the preceding calendar year. It is unrealistic to equate the previous year's labor needs to those of this year, when the New York restaurant and foodservice industry is expected to lose an estimated \$3.6 billion in sales and lay off 80% of restaurant employees by the end of April.

In summary, the New York City Council should understand that passing these bills will lead to more closed businesses and fewer jobs for New Yorkers. They will harm us, our employees, and our businesses, which we are trying to keep open in an already difficult environment.

We welcome the opportunity to discuss what it takes to own and run a small business.

Sincerely,

Mr. Sachin Shah
508 W 259th Street
Bronx, NY 10471-1601
sksmgmt@gmail.com
(201) 926-7105

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with BIPAC. Please contact Kelsey Moncrief at moncrief@bipac.org or (202) 776-7467 for more information.

Skrzypiec, Leah

From: Colson, Brandon on behalf of Speaker Corey Johnson
Sent: Tuesday, April 28, 2020 3:15 PM
To: NYC Council Hearings
Subject: FW: Small Business Owners oppose Intros. 1918 and 1923

-----Original Message-----

From: SHAHROOKH BODHANWALA (shahrookhmb@hotmail.com) Sent You a Personal Message <automail@knowwho.com>
Sent: Tuesday, April 28, 2020 3:14 PM
To: Speaker Corey Johnson <speakerjohnson@council.nyc.gov>
Subject: Small Business Owners oppose Intros. 1918 and 1923

Dear Member,

Dunkin? Brands is a 100% franchised system comprised of small business owners / franchisees. As one of these franchisees, who own and operate over 250 restaurants employing over 5,200 hardworking New Yorkers, we oppose Intros. 1923-2020 (Just Cause) and 1918-2020 (Premium Pay). These bills seek to impose exorbitant costs on our already struggling businesses at a time when many can barely afford to keep their doors open.

We implore the Council to stop pursuing legislation that creates such a hostile business environment in New York City for small business owners like ourselves. It goes beyond reason to think that during this pandemic that has forced businesses to pause to help contain the virus, that now would be a good time to impose new costs and restrictions on the few businesses that are fighting to stay open, provide jobs and serve the heroes who are working to help keep our city healthy and safe.

Intro 1923-2020 ? Just Cause

Intro 1923-2020 seeks to prohibit wrongful discharge: ?An essential employer shall not discharge an essential employee who has completed such essential employer?s probation period without just cause.? As a community which employs thousands of New Yorkers, we can attest that we value our employees and invest considerable time, training, and resources into every new hire.

Our employees are the face of our business, and therefore one of the most important parts of the Dunkin? business model. We maintain high standards and train employees in customer service, food safety, and health procedures, while creating opportunity for further career development. According to the National Restaurant Association, nearly one-half of adults got their first job experience in a restaurant.

This legislation fails to account for the human aspect of the service industry. A positive attitude is the foundation of good customer service. If an employee is consistently rude to customers, how do we document that on paper to the satisfaction of a government agency? What types of ?progressive disciplinary? measures are acceptable and for how long? Why is New York City government trying to micromanage small business owners?

This legislation could force Managers at restaurants like ours to keep staff employed who may:

- * cause food and beverage safety and health issues;
- * cause scheduling issues that impact fellow employees and impede customer service;
- * provide poor customer service overall;
- * bully others or create a hostile work environment; or
- * any other number of scenarios.

The legislation also limits our ability to reduce hours, which in the current environment may be necessary to keep our businesses open.

In addition, it creates uncertainty for employers and invites increased litigation, which is both costly and time consuming for a business operating on extremely thin margins.

Intro 1918-2020

Intro 1918-2020 requires businesses with 100 or more employees to pay each hourly worker a premium between \$30 - \$75 per shift during the pandemic. This legislation seeks to add debilitating costs to our restaurant operations during a time when we are doing everything we can to simply stay afloat. As it stands, franchisees are doing their part to stay open to serve essential workers like health care professionals, law enforcement and other first responders. Beyond that, many are already providing additional pay to their employees as a way to say thank you for their continued commitment and to help them provide for their families amid the pandemic.

The definition of "large essential employer" accounts for full-time, part-time, or temporary staff. Given that "the number of persons who work for an employer for compensation per week fluctuates," this legislation calculates business size by averaging number of persons who worked during the preceding calendar year. It is unrealistic to equate the previous year's labor needs to those of this year, when the New York restaurant and foodservice industry is expected to lose an estimated \$3.6 billion in sales and lay off 80% of restaurant employees by the end of April.

In summary, the New York City Council should understand that passing these bills will lead to more closed businesses and fewer jobs for New Yorkers. They will harm us, our employees, and our businesses, which we are trying to keep open in an already difficult environment.

We welcome the opportunity to discuss what it takes to own and run a small business.

Sincerely,

Mr. SHAHROOKH BODHANWALA
3520 Leverich Street C742
JACKSON HEIGHTS, NY 11372-3968
shahrookhmb@hotmail.com
(917) 373-7564

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with BIPAC. Please contact Kelsey Moncrief at moncrief@bipac.org or (202) 776-7467 for more information.

Skrzypiec, Leah

From: Colson, Brandon on behalf of Speaker Corey Johnson
Sent: Tuesday, April 28, 2020 3:14 PM
To: NYC Council Hearings
Subject: FW: Small Business Owners oppose Intros. 1918 and 1923

-----Original Message-----

From: Suhel Ahmed (ahmedsuhel1@gmail.com) Sent You a Personal Message <automail@knowwho.com>
Sent: Tuesday, April 28, 2020 3:13 PM
To: Speaker Corey Johnson <speakerjohnson@council.nyc.gov>
Subject: Small Business Owners oppose Intros. 1918 and 1923

Dear Member,

Dunkin? Brands is a 100% franchised system comprised of small business owners / franchisees. As one of these franchisees, who own and operate over 250 restaurants employing over 5,200 hardworking New Yorkers, we oppose Intros. 1923-2020 (Just Cause) and 1918-2020 (Premium Pay). These bills seek to impose exorbitant costs on our already struggling businesses at a time when many can barely afford to keep their doors open.

We implore the Council to stop pursuing legislation that creates such a hostile business environment in New York City for small business owners like ourselves. It goes beyond reason to think that during this pandemic that has forced businesses to pause to help contain the virus, that now would be a good time to impose new costs and restrictions on the few businesses that are fighting to stay open, provide jobs and serve the heroes who are working to help keep our city healthy and safe.

Intro 1923-2020 ? Just Cause

Intro 1923-2020 seeks to prohibit wrongful discharge: ?An essential employer shall not discharge an essential employee who has completed such essential employer?s probation period without just cause.? As a community which employs thousands of New Yorkers, we can attest that we value our employees and invest considerable time, training, and resources into every new hire.

Our employees are the face of our business, and therefore one of the most important parts of the Dunkin? business model. We maintain high standards and train employees in customer service, food safety, and health procedures, while creating opportunity for further career development. According to the National Restaurant Association, nearly one-half of adults got their first job experience in a restaurant.

This legislation fails to account for the human aspect of the service industry. A positive attitude is the foundation of good customer service. If an employee is consistently rude to customers, how do we document that on paper to the satisfaction of a government agency? What types of ?progressive disciplinary? measures are acceptable and for how long? Why is New York City government trying to micromanage small business owners?

This legislation could force Managers at restaurants like ours to keep staff employed who may:

- * cause food and beverage safety and health issues;
- * cause scheduling issues that impact fellow employees and impede customer service;
- * provide poor customer service overall;
- * bully others or create a hostile work environment; or
- * any other number of scenarios.

The legislation also limits our ability to reduce hours, which in the current environment may be necessary to keep our businesses open.

In addition, it creates uncertainty for employers and invites increased litigation, which is both costly and time consuming for a business operating on extremely thin margins.

Intro 1918-2020

Intro 1918-2020 requires businesses with 100 or more employees to pay each hourly worker a premium between \$30 - \$75 per shift during the pandemic. This legislation seeks to add debilitating costs to our restaurant operations during a time when we are doing everything we can to simply stay afloat. As it stands, franchisees are doing their part to stay open to serve essential workers like health care professionals, law enforcement and other first responders. Beyond that, many are already providing additional pay to their employees as a way to say thank you for their continued commitment and to help them provide for their families amid the pandemic.

The definition of "large essential employer" accounts for full-time, part-time, or temporary staff. Given that "the number of persons who work for an employer for compensation per week fluctuates," this legislation calculates business size by averaging number of persons who worked during the preceding calendar year. It is unrealistic to equate the previous year's labor needs to those of this year, when the New York restaurant and foodservice industry is expected to lose an estimated \$3.6 billion in sales and lay off 80% of restaurant employees by the end of April.

In summary, the New York City Council should understand that passing these bills will lead to more closed businesses and fewer jobs for New Yorkers. They will harm us, our employees, and our businesses, which we are trying to keep open in an already difficult environment.

We welcome the opportunity to discuss what it takes to own and run a small business.

Sincerely,

Mr. Suhel Ahmed
850 8th Avenue
New York, NY 10019-6236
ahmedsuhel1@gmail.com
(917) 416-3773

This message was sent by KnowWho, as a service provider, on behalf of an individual associated with BIPAC. Please contact Kelsey Moncrief at moncrief@bipac.org or (202) 776-7467 for more information.

Skrzypiec, Leah

From: Jones, Stephanie
Sent: Wednesday, April 29, 2020 9:24 AM
To: Skrzypiec, Leah
Subject: FW: Testimony for the New York City Council Committee on Consumer Affairs and Business Licensing and the Committee on Small Business

Stephanie Jones
Legislative Counsel
Committee on Small Business
Committee on Oversight and Investigations
(917) 791-0135

From: Testimony
Sent: Tuesday, April 28, 2020 9:11 PM
To: Jones, Stephanie
Subject: FW: Testimony for the New York City Council Committee on Consumer Affairs and Business Licensing and the Committee on Small Business

From: Nia Ambrose [nia.ambrose@gmail.com]
Sent: Tuesday, April 28, 2020 8:22 PM
To: Testimony
Subject: Testimony for the New York City Council Committee on Consumer Affairs and Business Licensing and the Committee on Small Business

Members of the Small Business Committee:

I am a college student and live in Queens in Councilmember Richard's district. I have been dashing for DoorDash for six weeks now to help pay my tuition, as I barely get any financial aid.

During the past six weeks, I have accumulated a decent amount to cover my bill for at least a fourth of my entire semester. When I deliver, I am sure to take precautions. I wear a mask and gloves, and constantly sanitize my hands. I feel like I'm doing an essential service to those who need it most, and I feel very safe and comfortable while doing it.

I write to you today to strongly urge you to think about the Dashers too in considering arbitrarily capping commissions. These fees are used to provide income to people like me, and in today's economy, it is very important to ensure everyone can earn money. With most restaurants closed, delivery services are one of the main income generators for restaurants across the city as well.

Please don't jeopardize my way of earning money in an already incredibly expensive city.

Sincerely,
Nia Ambrose

Skrzypiec, Leah

From: Jones, Stephanie
Sent: Wednesday, April 29, 2020 9:25 AM
To: Skrzypiec, Leah
Subject: FW: Testimony for the New York City Council Committee on Consumer Affairs and Business Licensing and the Committee on Small Business

Stephanie Jones
Legislative Counsel
Committee on Small Business
Committee on Oversight and Investigations
(917) 791-0135

From: Testimony
Sent: Wednesday, April 29, 2020 9:23 AM
To: Jones, Stephanie
Subject: FW: Testimony for the New York City Council Committee on Consumer Affairs and Business Licensing and the Committee on Small Business

From: Raul Espinal [espinalraul@gmail.com]
Sent: Tuesday, April 28, 2020 9:14 PM
To: Testimony
Subject: Testimony for the New York City Council Committee on Consumer Affairs and Business Licensing and the Committee on Small Business

Dear members of the Small Business Committee:

I am a Queens based delivery courier and live in Councilmember Holden's district. I have lived in New York for years.

Delivery platforms like DoorDash are one of the few truly non-discriminatory ways for people from all walks of life to find work in the private sector. Many couriers come from low income households and use the money they make on these platforms to supplement paychecks from their full time jobs. Many workers also come from diverse communities and have, until now, faced discrimination from employers, especially in the service industry. In traditional service jobs, people of color are often denied customer-facing roles and experience wage discrimination, but delivery services like DoorDash have finally leveled the playing field. Signing up on these platforms is a low-barrier way to start making money quickly. Dashing allows many people of color and non-native English speakers the ability to earn a living wage without the discrimination that can be very common in traditional service jobs.

I urge you to consider people like me and the essential work I'm able to do thanks to delivery platforms before you pass legislation that could hurt my earnings. Thank you.

Sincerely,
Raul Espinal
Queens, NYC

Skrzypiec, Leah

From: Jones, Stephanie
Sent: Wednesday, April 29, 2020 9:25 AM
To: Skrzypiec, Leah
Subject: FW: testimony Council bills on 3rd party services and GGG, cafe fees - Invitation to edit

Stephanie Jones
Legislative Counsel
Committee on Small Business
Committee on Oversight and Investigations
(917) 791-0135

From: Robert Bookman [rbookman@pb.law]
Sent: Tuesday, April 28, 2020 12:08 PM
To: Meixler, Noah
Cc: Jones, Stephanie; arigie@thenycalliance.org
Subject: Re: testimony Council bills on 3rd party services and GGG, cafe fees - Invitation to edit

TESTIMONY OF ROBERT BOOKMAN, ESQ
PARTNER, PESETSKY AND BOOKMAN PC
COUNSEL, NYC HOSPITALITY ALLIANCE

APRIL 29TH, 2020

PACKAGE OF BILLS RELATING TO 3RD PARTY DELIVERY PLATFORMS,
PERSONAL GUARANTEES IN COMMERCIAL LEASES AND SIDEWALK CAFE
FEES

Thank you for the opportunity to testify today in this historic City Council hearing. Historic because it is the first virtual hearing and because the small business community...especially the hospitality industry...is in historic trouble. I have been involved as an attorney with small businesses going back 30+ years to my time in City government at the Dept of Consumer Affairs. Never before have I seen anything like what we are experiencing now...not 9-11, not the recession of the late 1980's...not the great recession.

This is different. This has the real makeup of an unprecedented closing of thousands of neighborhood businesses forever. If we do not act at every level of government, we could see our commercial strips in every neighborhood turn into ghost towns.

That is why these bills are so important. Not just for the message that they send that this body is listening and hearing small businesses, but that it is acting. And quick action is desperately needed.

Restaurants were the first to be closed and they will likely be the last to be reopened. Even then we do not know what reopen will mean or look like for a long time to come. 50% capacity is not profitable..period. But for now, we must keep the food flowing, especially for the tens of thousands of New Yorkers that rely on delivery to eat. To do that, we must immediately reign in the monopolistic big businesses that dominate the food delivery ordering industry. Let's be clear..all they do in NYC is transmit an order...they do not cook the food and with minor exceptions, they do not deliver the food. And for this they grab over 20% of every order. While these fees were not sustainable when the restaurant was filled with diners, it is simply an outrage now that we are empty. (intro 1907, 1908) . This is why other cities like San Francisco, Seattle, Chicago and LA have either already instituted fee caps on these companies, some as low as 5%, or are actively pursuing it like you are.

Restaurants will not and cannot continue with this vital public service if these fees remain in effect. Food Delivery will simply dry up, forcing elderly and sick New Yorkers to wait in lines to get food. And New Yorkers have the right to know these charges, which current contract is forced to be hidden from them. Pass these bills immediately!

Then there are personal guarantees on commercial leases.(Intro 1932). Nothing is keeping small business owners awake at night more than this, what is called a good guy guarantee. Typically, leases require that the business owner personally guarantee the rent as long as the business is in possession of the premises. It is designed to prevent someone from operating while not paying the rent.

But no one ever contemplated this situation where we are technically in possession, but the government says we cannot operate...or only minimally operate. For a landlord under these circumstances to file a civil action against the small business owner's personal assets..their life savings, their house...is simply unconscionable and cannot be allowed to happen.

May rent is coming due and business owners are deciding should they give the keys back and permanently go out of business or risk another month of personal liability. You must act now!!

Finally, a simple bill in relation to sidewalk cafe fees. (Intro 1916) Thousands of restaurants owe the City rental fees for a sidewalk space that they cannot legally use. It is only fair that these fees, some of which were paid already, be waived for 2020.

Small businesses are not just the lifeblood of our neighborhoods, they are not just huge employers, they are not just the reason why companies come to New York to do business, why artists of all types can make a living here while pursuing their art, music, acting and writing. There is no recovery for NYC without our small businesses and hospitality industry recovering.

Robert S. Bookman

Partner

Pesetsky & Bookman, PC

325 Broadway, Suite 501

New York, NY 10007

212-513-1988

PB.law

Please note our new email addresses @pb.law

Representing New York's Hospitality Industry for Over 30 Years

What can P&B do for my business?

CONFIDENTIALITY NOTICE

This electronic message, including any attachments, is confidential and may contain attorney-client privileged and/or work product communications. If you are not the intended recipient, viewing, copying or forwarding is prohibited. If you receive this e-mail in error, please contact me at 212-513-1988 immediately and delete or destroy this e-mail and any attachments from your system.

On Tue, Apr 28, 2020 at 12:01 PM Meixler, Noah <NMeixler@council.nyc.gov> wrote:

Hi Robert,

Is there any way you could forward the testimony on a Microsoft word document? I have had some issues accessing google docs on the Council VPN we are using right now.

Best,

Noah

From: Robert Bookman (via Google Docs) <drive-shares-noreply@google.com>

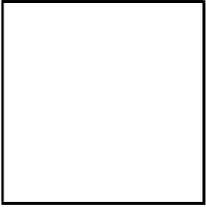
Sent: Tuesday, April 28, 2020 11:19 AM

To: Meixler, Noah <NMeixler@council.nyc.gov>

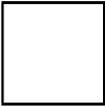
Cc: Jones, Stephanie <StJones@council.nyc.gov>; arigie@thenycalliance.org

Subject: testimony Council bills on 3rd party services and GGG, cafe fees - Invitation to edit

rbookman@pb.law has invited you to **edit** the following document:



testimony Council bills on 3rd party services and GGG, cafe fees



My testimony for tomorrow's hearing. Please confirm receipt.

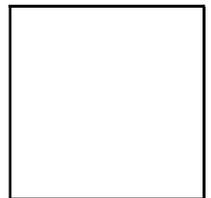
[Open in Docs](#)

This email grants access to this item. Only forward it to people you trust.

Google Docs: Create and edit documents online.

Google LLC, 1600 Amphitheatre Parkway, Mountain View, CA 94043, USA

You have received this email because rbookman@pb.law shared a document with you from Google Docs.



CONFIDENTIALITY NOTICE: This e-mail message is intended only for the person or entity to which it is addressed and may contain CONFIDENTIAL or PRIVILEGED material. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message. If you are the intended recipient but do not wish to receive communications through this medium, please so advise the sender immediately.

PHOTOGRAPHY BY

TINA B FOTO

April 24, 2020

Dear Sirs

This letter is to testify regarding my denial of a grant related to NYC Employee Retention Program application number ERG2020-2743.

I am a freelance photographer based in Manhattan, operating as a sole-proprietor. I chose to be a sole-proprietor and not an LLC because most of my client engagements do not exceed \$5,000 and I do not have any employees. I have been in business for the last three years at my current home/studio address in Chelsea, Manhattan, and two prior years from an address in Brooklyn Heights. Due to the COVID-19 pandemic my entire income has been eliminated since March 6th, 2020. Most of my work relates to fashion and portraiture, therefore it is impossible to perform the photoshoots under the shelter-in-place and social distancing measures. As I am responsible for the mortgage of the home/studio where my business operates, business insurance and a number of other ongoing fixed business expenses, these circumstances have forced me to search for any state and federal sponsored programs to help me bridge over to the times when I will be able to work again.

I do not feel comfortable taking loans at this moment, as I do not know when I will be able to repay them, furthermore I do not need hundreds of thousands in aid at this time, I only need something equivalent to my gross income for the March - May months to cover my basic fixed expenses until the summer when I can hopefully pick up some work again. Therefore, I was not interested in any of the long-term loan programs such as PPA or alternatives.

As a business with 1 - 100 employees, based in NYC I qualified on all counts for the NYC Employee Retention Program and was able to apply online providing all required documentation including CPA certified statements of my monthly 2019 and 2020 profit&loss statements as well as my 2019 and 2018 tax returns.

After 5 weeks of waiting for an update, the reviewing official asked me for a W2 or something which shows my monthly salary with withheld taxes. I tried to reason with her and explain that the W2 is a document issued by a corporation only, and it is impossible to present as a sole-proprietor due to the nature of how we file taxes. I further explained that as my income is unpredictable on a monthly basis, and my expenses some months are significantly higher relative to others because of capital expenditures I make towards equipment, there is no way to calculate an accurate EBIT per month and as such make a

261 WEST 22 STREET, APT 22, NEW YORK, NY 10011

cell: 347 675 1104, e-mail: info@tinabfoto.com, www.tinabfoto.com

tax contribution in advance. The most accurate way for me to calculate my taxes is at the end of the year when both my income and expenses have been finalized and cyclicalities in my business and expenses have been normalized. As such my tax return is the closest I can present to a W2. I also suggested to explore my monthly profit&loss statement for 2018 (CPA certified) if they wanted to arrive at a minimum number of income estimate for the months of March - May. Regardless, I was told I was denied because I cannot provide a W2. (I have provided a copy of my correspondence with the representative of the Small Business Services to the speaker's office).

A requirement of a W2 document to qualify for this program makes it inaccessible to me and all other freelancers who operate as sole-proprietors and who constitute a large part of the 1-100 employee businesses in the city. My appeal is to either change the requirements in order to make this program truly available to ALL small businesses or to simply call it what it is at the moment "small INCORPORATED ONLY business assistance". Thank you for your time and consideration!

Sincerely,

**NEW YORK CITY COUNCIL
COMMITTEE ON SMALL BUSINESS**

Wednesday, April 29, 2020

Committee Hearing on Intros 1846, 1895, 1896, 1897, 1898, 1907, 1908A, 1921

Written Testimony for Joshua Gold, Uber Technologies Inc.¹

Uber Eats welcomes a conversation with the New York City Council on the topic of food delivery platforms. Over the past several years, the process of food delivery has evolved significantly. What used to be a simple relationship between a consumer, food establishment, and delivery person now also includes app-based technology and major national corporations.

Because of the growing complexity of the food delivery business, we appreciate this opportunity to explain the brief history of Uber Eats and how our business currently operates in New York.

Uber Eats began operating in April 2015 as a small operation that quickly delivered meals in midtown Manhattan. By April of the following year, the business had grown to partner with more than 100 businesses, and was operating from early in the morning through late at night. Currently, Uber Eats serves customers in all five boroughs with delivery options from thousands of restaurants, eateries, delis, and other food establishments across the city.

One of the reasons why we have been able to grow our business successfully in New York is because we value our restaurant partners, and we demonstrate that through a quick and transparent onboarding process.

When a restaurant or other food establishment is interested in partnering with Uber Eats, a member of our team will walk the restaurant contact through the basic options included in our partnership: using their own delivery workers, using Uber Eats delivery people, or a combination of both, and explain to them the difference between each option. Once the restaurant partner has determined which delivery method they prefer, we share them on a brief, plain language contract which outlines the costs, and upon agreement get them up and running on our app quickly.

We are committed to having no hidden fees for restaurants. We don't charge for credit card processing, and we don't charge higher rates for lead generation. Our model is straightforward and transparent from the beginning. Restaurants can choose to pay a 15% fee and use their own delivery workers or pay a 30% fee to use Uber Eats delivery people. Currently, we charge

¹ Uber Technologies, Inc., is the parent of Portier, LLC which operates under 'Uber EATS'.

0% for pick-up orders. We do not charge any other fees to restaurants. Restaurants can also choose to alternate between these options seamlessly. For example, if restaurants are using their own delivery staff and then it gets too busy, they can decide to tap into our delivery network at the touch of a button. They can then turn this option off and go back to a lower commission when things slow down again.

Many choose to have Uber Eats facilitate the delivery for them because it means not having to pay upfront for a delivery worker(s) by the hour, all day to wait for orders to come in; they can choose to pay a bit more on the individual order to have Uber Eats facilitate the delivery only when an order comes in. This offering is more important now than ever because restaurants are cash strapped and many can't afford to pay workers to be on call all day. With Uber Eats, they only have to pay for delivery logistics when an order comes in.

We provide our restaurant partners with the necessary hardware and software to manage their operations through data, and have Eats experts on hand to troubleshoot any issues the partner experiences in real time.

We understand that restaurants small and large are adapting to the changing landscape of food delivery across the city, and our goal at Uber Eats is to make that process as transparent and fair as possible so that they can continue to grow their customer base and prosper.

Response to COVID-19

We believe in the importance of empowering local economies, especially during this time of need, which is why our platform has announced financial assistance packages and made significant investments to continue driving demand to local businesses. In the middle of what is quickly becoming one of the worst economic downturns in a century, delivery platforms are ensuring that thousands of local retailers and restaurants can stay in business; thousands of New Yorkers can continue to earn income to provide for themselves and their families; and our most vulnerable populations—including the elderly and immunocompromised—can continue to access food and essential supplies from their homes.

For restaurants operating on our platform we are charging no commissions for pick-up orders and allowing daily cash withdrawals at no extra charge. Since March 1st, 30,000 City residents have signed up to deliver using our platform and our biggest increases have been in the outer rings of the outerboroughs.

During the pandemic, it is clear that outerborough New Yorkers in traditionally low-income neighborhoods are relying on Uber Eats more than anyone. Overall, over the last couple of months, almost all of the growth in orders is coming from the outerboroughs and northern Manhattan. This tells us that as residents are forced to stay home and avoid grocery stores because of social distancing, it is New Yorkers who live in traditionally low-income areas who are relying on delivery the most. For example, we've seen a 61% increase in orders in

Southeast Queens, a 35% increase in the South Bronx and an 88% increase in outer Queens. This is compared to the West Village and Upper East Side, which have seen declines in orders.

It is clear that services like Uber Eats are playing a critical role in keeping residents in every part of the city fed affordably during the COVID crisis.

And, we recently announced that Uber will be donating 10 million free meals & rides globally. In New York, that effort has included over 25,000 meals to first responders & others in need, free deliveries for local foodbanks like Foodbank NYC, Metropolitan Council on Jewish Poverty & World Central Kitchen.

Int 1846, Int 1895, Int 1898, Int 1907

Uber Eats generally supports these measures that would increase tipping & fee transparency, prevent tampering and ensure restaurants have greater control over menu pricing.

Int 1921

Uber Eats generally supports this measure but would urge the Council to consider language put forward by the New York State legislature in A00666/S01206.

Int 1908A

As drafted, the permanent provisions of the legislation treat third party marketplaces that only list menus and facilitate orders the same as third party marketplaces that provide those services and also facilitate delivery. The difference is important because, while to consumers they may all appear to be similar, they offer different services to restaurants.

Companies that only provide restaurants with access to a marketplace of customers and a variety of services like placement, advertising and credit processing should not be treated the same as platforms that also facilitate delivery (such as Uber Eats). Delivery platforms provide much more than just access to a marketplace - they manage the fulfillment of the orders for the restaurants by providing and handling all the logistics and payments to the delivery people for the cost of their delivery services. Commissions paid by restaurants cover an array of costs especially:

- Credit card processing fees can make up a substantial portion of the commission and are assessed against taxes & tip, not just the portion of the order charged a commission.
- Onboarding new delivery people, including background checks for every delivery person on the platform;
- Maintaining the safety of our platform, including insurance costs and personal protective equipment to protect delivery people;

- Marketing our services to customers, including advertising and marketing to drive demand to local restaurants;
- Technology services including hosting, order management, application maintenance, and dispatching technology.
- Teams of dedicated customer service specialists to provide support to restaurants for orders placed through our platforms.

Restaurants who choose to use platforms only to list their menus and accept orders through a marketplace are spending more money to pay their own in-house delivery people. That's why many restaurants choose to use delivery platforms. This way they don't have to pay a delivery person to be on call all day, and also don't have to manage the complex operations and logistics of delivery in New York City.

Offering menu placement and facilitating orders costs a company significantly less than also facilitating delivery. If these two categories of services are treated the same through a commission cap it would force the platforms facilitating delivery to cover the additional out of pocket costs of delivery somewhere else. This could include reducing the rates of the delivery people who fulfill the order, adding fees for users at home placing orders for delivery, or only offering access to the menu listing and order facilitation services, leaving restaurants on their own to cover the costs and handle the logistics of making deliveries.

Paradoxically, the legislation also treats large chains the same as small mom and pops, as it would dictate the terms of agreements for a contract with a local restaurant with one outlet as well as a national chain with thousands of locations.

If the City attempts to prescribe contract terms between delivery platforms and restaurants, it would force platforms like ours to radically alter our businesses just as we desperately try to meet the needs of restaurants, delivery people, customers, and our communities.



Amy Healy
Head of Public Affairs

ahealy@grubhub.com
(908) 305-1400
1065 6th Ave.
15th floor
New York, NY, 10018

April 28, 2020

Joint Committees on Small Business and Consumer Affairs and Business Licensing
New York City Council

Dear Chairman Gjonaj, Chairman Cohen, Members of the Committees:

I am here today to express Grubhub's strong opposition to the proposed cap on fees paid by restaurants for delivery and marketing services. Any cap on fees - regardless of the duration - will result in damaging, unintended consequences for locally-owned businesses, delivery workers, diners and the local economy; in fact, it will result in the exact opposite of what the legislation is designed to accomplish. And, we believe that any cap on fees represents an overstep by local officials and will not withstand a legal challenge.

On the face of it, a cap on fees seems to be an easy solution to help restaurants that are struggling due to the coronavirus. And there is nothing we want more than to ensure the health of independent restaurants - we don't have a business without them.

But this solution is exactly the wrong thing to do. In reality, this proposed cap will lower order volume to locally-owned restaurants, increase costs - and headaches for - small business owners, and raise costs to customers. Delivery workers, who are currently relying on Grubhub to earn an income including 100 percent of tips from diners, would have fewer work opportunities and lower earnings. In the middle of what is quickly becoming one of the worst economic downturns in a century, Grubhub is ensuring that workers in New York City can continue to provide for themselves and their families.

Grubhub is neither a public utility nor simply a delivery service. In the simplest of terms, Grubhub is a marketing engine and an order generation business - connecting hungry diners to great, local restaurants. The platform is free for any restaurant owner who chooses to join, and Grubhub offers a fee-for-service model, meaning that restaurant owners select the services they want and only pay when Grubhub generates a sale. Restaurants have many options to drive business besides third-party marketplaces, none of which are seeing their fees regulated.

This arbitrary cap would limit how restaurants, and especially small and independent establishments, can market themselves and therefore severely limits how many customers and orders we can bring to these restaurants. Why not cap how much other marketing platforms can charge and how much restaurants can spend on these channels - Google or Facebook ads, Yelp, Yellow Pages, newspaper, radio, billboard, and other ads, the printing of physical menus left on doorsteps, storefront signage and branded packaging? Restaurants should make their own decisions for where they want to market and how much they want to spend on those channels, but they - and you - cannot expect Grubhub and others to operate at a loss.



Amy Healy
Head of Public Affairs

ahealy@grubhub.com

(908) 305-1400

1065 6th Ave.

15th floor

New York, NY, 10018

This proposed cap would raise costs on restaurants by blocking them from taking advantage of Grubhub's economies of scale. For example, while a local restaurant likely does not have the order volume to hire a full-time delivery person, Grubhub can identify, verify, and coordinate delivery teams to serve varying numbers of orders across many establishments. If on-demand food marketing and delivery services are forced to cut back on services they provide, restaurants would need to staff and maintain their own delivery fleets. In addition to covering the costs of conducting background checks for delivery teams, restaurants would need to update technology services for payment processing / fraud prevention and create online order management and application maintenance tools.

While the largest of national chains can afford these new expenses, small and independent restaurants cannot, even in the best of times. They will either shut their doors or shift additional costs onto customers - making them even less competitive against other businesses.

There is a popular - and completely false - belief that third-party marketing and delivery services would still make a profit (let alone "significant profits") with the proposed fee caps. In fact, these caps would force us to exit certain markets and/or suffer substantial losses that threaten the sustainability of our business.

Of course, all of this disruption will happen at the very worst possible moment: when customers across your city, including homebound families and seniors, are depending on food delivery services to access food.

Grubhub is committed to working together with policy makers like yourself because we share a common goal: creating, maintaining and growing a thriving local restaurant community. In fact, Grubhub only does well when small, independent restaurants do well. We would love the opportunity to discuss real steps to that end.

Again, I strongly urge you to oppose this proposed cap on commissions. I look forward to hearing from you and working together on a solution that will truly help restaurants in your city thrive. Please reach out to me at ahealy@grubhub.com.

Sincerely,

Amy P. Healy

Head of Public Affairs

April 28, 2020

Mayor Bill de Blasio
City Hall
New York, NY 10007

NYC Council Speaker Johnson
City Hall Office
New York, NY 10007

Dear Mayor de Blasio and Council Speaker Johnson:

The COVID-19 pandemic has devastated the 25,000 restaurants in New York City. After the government mandated closure of in-restaurant dining operations due to COVID-19, these small businesses had the option of closing completely, or only offering delivery and takeout. Some restaurants opted to offer delivery and take-out to keep some people employed and to serve New Yorkers who are stuck at home and need to eat.

Unfortunately, the 15%- 30% fees taken from each order by third party delivery companies like Grubhub and Seamless make sustaining delivery financially impossible for most small businesses, especially when coupled with the predatory business practices of the company, which owns nearly 70% of the New York City delivery market.

In the midst of this public health and economic crisis, some delivery companies have been good corporate citizens and reduced their rates and offered other services to local restaurants. However, market leaders like Grubhub, have used their market share and leverage to exploit this crisis by introducing programs with vague descriptions and confusing terms which have mislead consumers and further harmed the restaurants using their platforms.

Therefore, we write to you as a group of New York business and civic organizations representing thousands of small business owners and the communities they serve, urging you to immediately use your emergency powers to cap third-party delivery platform fees at no more than 10%, similar to what the Mayor of San Francisco recently did. This cap is needed to help sustain small businesses, jobs and this vital food supply channel - during this crisis, throughout the long-expected recovery, and thereafter. We then request that you work with the City Council to fast track the enactment of Int. 1908-A, which will cap fees at no more than 10%.

We understand these delivery platforms provide value to both restaurants and consumers, but when billion-dollar corporations use their market share and leverage to exploit small businesses, workers and consumers, government must intervene to level the playing field, especially during the crisis we are now in.

We thank you for your leadership during the COVID-19 crisis and urge you to stand with local restaurants, workers and consumers and enact at 10% third party delivery platform cap.

We look forward to your response.

Bronx Chamber of Commerce
Brooklyn Chamber of Commerce
Queens Chamber of Commerce
Staten Island Chamber of Commerce
Greenwich Village Chelsea Chamber of
Commerce

NYC BID Association
NYC Hospitality Alliance
New York State Restaurant Association
NYS Latino Restaurant, Bar & Lounge
Association



FOOD INDUSTRY ALLIANCE OF NEW YORK STATE, INC.

130 Washington Avenue • Albany, NY 12210 • Tel (518) 434-1900 • Fax (518) 434-9962
Government Relations (518) 434-8144

April 28, 2020

Hon. Corey Johnson
New York City Council
City Hall
New York, NY 10038

Dear Speaker Johnson:

The Food Industry Alliance of New York State is a nonprofit trade association that advocates on behalf of grocery, drug and convenience stores throughout New York. We represent a broad spectrum of NYC food retail, from independent, neighborhood grocers to large chains, including unionized stores. Our members account for a significant share of the city's retail food market.

The NYC Essential Workers' Bill of Rights - Intros. 1918, 1923 and 1926 - were among the bills recently introduced to address the impacts of the COVID-19 pandemic. The economic consequences of the pandemic have been devastating, with projections continuing to deteriorate. For example, in an April 1, 2020 report, the Economic Policy Institute cited a Goldman Sachs forecast predicting "...a 9% contraction for the first quarter of this year and a 34% contraction in the second quarter." An April 27, 2020 New York Post editorial noted that "Jobless numbers released Thursday hint that the nation is heading into Depression-era territory: *With 26 million out of work*, the US unemployment rate has now likely passed 20 percent; the 1930s peak was 25 percent. *New York has been especially hard hit, with 1.4 million now without jobs* (emphasis added)."

This grim reality leaves no room for job threatening legislation. Intros. 1918, 1923 and 1926, while intended to help essential grocery workers, will harm them. By mandating premium pay of \$75 for a shift longer than eight hours, the city will add \$9.37 an hour to the cost of that shift, without any increase in productivity. Assuming a worker is paid the minimum wage of \$15.00 an hour, and adding another \$6.00 an hour in health and pension benefits as well as payroll taxes, workers compensation and unemployment/disability insurance payments (all of which increase as base pay rises), total compensation *will exceed \$30 an hour for a minimum wage worker*. This will not only price the most vulnerable workers out of the job market but will also threaten the viability of neighborhood grocers, since many will not be able to afford the labor necessary to keep their stores open.

This is not my opinion. It is the consensus of our members, many of whom have decades of experience operating grocery stores in the city. For example, one member operating six NYC stores stated in an email to me that "...our [Manhattan] store has been substantially down in business since residents moved out of the city. This type of premium pay would cripple this particular store, which is already

operating at a loss.” Another member who owns five stores in the city emailed that “...we are a union shop and already have paid all our employees xtra money since this pandemic started to both full time and part timersWe would not be able to stay open with those rates plus the cleaning of the stores twice a week and trucking not arriving on time and causing overtime for that. And members are afraid of the virus & not coming to work plus the sick days and union benefits we only work on pennies.”

There is a perception that sales at every NYC grocery store have surged due to the pandemic. This is not true. Sales vary widely by neighborhood. Grocery stores in affluent neighborhoods that residents have left for second homes have experienced a *decline* in sales. Supermarket sales are also weak in neighborhoods that have experienced sharp increases in unemployment.

In addition, in recognition of city grocery workers’ efforts, our members have already provided premium pay by raising hourly rates, authorizing more overtime and paying bonuses. Grocers have also incurred significant, unbudgeted costs due to the purchase of large quantities of personal protective equipment and the routine, deep cleaning of stores. As a result, while sales are higher in many grocery stores, operating expenses have surged.

The pandemic - and the resulting panic buying - will end, causing sales to normalize. When that happens, the city’s grocers need to be positioned to preserve jobs and meet significant obligations under collective bargaining agreements. Unfortunately, the NYC Essential Workers’ Bill of Rights will undermine the ability of the city’s food retailers to do that.

We respectfully request that all three bills be withdrawn and be replaced with a collaborative effort to manage the challenges we face going forward.

Very truly yours,



Food Industry Alliance of New York State, Inc.

Jay M. Peltz

General Counsel and Senior Vice President of Government Relations

Metro Office: 914-715-1750 | jay@fiany.com

CC: Members of the New York City Council
Mayor de Blasio

April 28, 2020

Mayor Bill de Blasio
City Hall
New York, NY 10007

NYC Council Speaker Johnson
City Hall Office
New York, NY 10007

Dear Mayor de Blasio and Council Speaker Johnson:

The COVID-19 pandemic has devastated the 25,000 restaurants in New York City. After the government mandated closure of in-restaurant dining operations due to COVID-19, these small businesses had the option of closing completely, or only offering delivery and takeout. Some restaurants opted to offer delivery and take-out to keep some people employed and to serve New Yorkers who are stuck at home and need to eat.

Unfortunately, the 15%- 30% fees taken from each order by third party delivery companies like Grubhub and Seamless make sustaining delivery financially impossible for most small businesses, especially when coupled with the predatory business practices of the company, which owns nearly 70% of the New York City delivery market.

In the midst of this public health and economic crisis, some delivery companies have been good corporate citizens and reduced their rates and offered other services to local restaurants. However, market leaders like Grubhub, have used their market share and leverage to exploit this crisis by introducing programs with vague descriptions and confusing terms which have mislead consumers and further harmed the restaurants using their platforms.

Therefore, we write to you as a group of New York business and civic organizations representing thousands of small business owners and the communities they serve, urging you to immediately use your emergency powers to cap third-party delivery platform fees at no more than 10%, similar to what the Mayor of San Francisco recently did. This cap is needed to help sustain small businesses, jobs and this vital food supply channel - during this crisis, throughout the long-expected recovery, and thereafter. We then request that you work with the City Council to fast track the enactment of Int. 1908-A, which will cap fees at no more than 10%.

We understand these delivery platforms provide value to both restaurants and consumers, but when billion-dollar corporations use their market share and leverage to exploit small businesses, workers and consumers, government must intervene to level the playing field, especially during the crisis we are now in.

We thank you for your leadership during the COVID-19 crisis and urge you to stand with local restaurants, workers and consumers and enact at 10% third party delivery platform cap.

We look forward to your response.

Bronx Chamber of Commerce
Brooklyn Chamber of Commerce
Queens Chamber of Commerce
Staten Island Chamber of Commerce
Greenwich Village Chelsea Chamber of
Commerce

NYC BID Association
NYC Hospitality Alliance
New York State Restaurant Association
NYS Latino Restaurant, Bar & Lounge
Association

Memorandum of Opposition

With Recommendations



Al Cardillo
President & CEO

Alyssa Lovelace
Director for Policy & Advocacy

Patrick Conole
Vice President, Finance & Management

Andrew Koski
Vice President, Program Services & Policy

Lauren Ford
Director of Program Research, Development and Policy

HCA, New York State's home care association, represents nearly 400 providers, organizations and individuals who collectively provide health care to hundreds of thousands of New Yorkers.

HCA members include Certified Home Health Agencies, Licensed Home Care Services Agencies, Long Term Home Health Care Programs, Hospices, Managed Long Term Care Plans, waiver programs, allied health and health management organizations, and others.

Home care provides and integrates care management and an array of clinical and supportive services for the care of individuals at home and in community. Home care provides primary, preventive, post-acute, long-term, and palliative care for individuals from newborns and children, to adults and seniors. Home care providers work with physicians, hospitals, clinics, health plans, and other health care partners to provide and manage care.

*"Helping New Yorkers **Feel Right** at Home"*

**To: Members of the New York City Council
Committee on Civil Service and Labor**

**Re: 1918-2020
COVID-19 Relief Package - Premiums for essential workers**

Date: April 26, 2020

On April 22, the New York City Council introduced a package of bills known as the "Essential Worker Bill of Rights." This legislative package contains language that would require employers to provide "premium pay" for essential, non-salaried workers, applicable to home care personnel.

The Council should withdraw this legislation that is a statutory mandate that the City has no way to finance, and that will only adversely affect the workers it intends to support and recognize.

Instead, HCA urges the Council advance its laudable intention as an adopted Resolution requesting state and federal supplemental funding for this explicit purpose of frontline worker wage enhancement.

Well before this legislation, HCA and HCA provider members have independently raised the idea of enhanced funding for home care agencies, hospices and managed long term care plans (MLTCs) compensation for all frontline workers in COVID-19. This work has been of heroic proportions.

Accordingly, HCA has asked the state Health Department to consider funding increases for home care, hospice and MLTCs for worker compensation, and recently affirmed the same enhanced funding echo the Governor's call for enhanced pay for these workers.

New York City's home care agencies, hospices and MLTCs are already facing major financial shortfalls addressing the innumerable, daily factors involved in providing care in the COVID-19 pandemic, including the exorbitant costs of personal protective equipment (which is still in great unmet need for home care and hospice in NYC), worker illness, and other severe aberrations in operations and service delivery patterns resulting from COVID. Additionally, MLTCs and providers are facing exorbitant rate reductions due to the recently enacted state budget.

This financial spiral is all the more reason why the goal of enhanced worker compensation should in no way be approached through the blanket statutory mandate as proposed by the NYC Council, instead be pursued through supplementation to provider and MLTC funding.

The proposed mandate is an unsupportable and unsustainable approach for home care as well as for the fulfillment of its own legislative goals. Beyond the COVID-19 payment

mandate, the NYC bill goes on to mandate further unsupported and unfunded pay provisions.

Specifically, once the current state of emergency is lifted, this legislation would require MLTCs, home care agencies and hospices with more than 100 employees to pay hourly workers \$30 for a shift under four hours, \$60 for a shift of four to eight hours and \$75 dollars for any shift over eight hours. As the NYC legislation has no way to fund these new obligations, these are added reasons why NYC should shift its approach from this mandate to a resolution calling for supplemental state and federal financing for wage support.

In many instances, providers are already paying above the mandatory threshold just to retain the workforce. Many New York City providers also report that they are already paying workers “premium pay” in recognition of heroic work. This best practice should be supported through supplemental state and federal funds.

Home care workers are providing quality care to the state’s most vulnerable populations, made more vulnerable in the COVID-19 pandemic. HCA supports increased state and federal funding to providers and health plans enhance compensation to these heroic staff. We urge the NYC Council to reconsider its legislation, and instead direct its efforts to convincing state and federal government officials to provide the supplemental financing that can best realize this goal of wage support in this urgent time.

To the members of the New York City Council,

My name is Disheik and I live in Councilmember Barron's district in Brooklyn.

I am a single mom of two, and DoorDash allows me to be actively present in my children's everyday lives without having to sacrifice being able to make a living. I suffer from anxiety when I am overwhelmed, so it is vital for me to have a flexible schedule. I am able to be a provider while also being a full-time parent for everything my children need me to be! I need the ability to set my own hours because I need to be there for my teenager's afterschool activities and I need to homeschool my toddler. Being a Dasher has been a lifeline because I'm able to do mommy things and take a few deliveries in between. Having the freedom to work around my kids' schedules is critical.

Please reconsider laws passing laws that will make the cost of delivery go up in New York City. When delivery prices go up, Dashers like me take direct hits to our earnings and during this uncertain time that will make it almost impossible for me to be a full-time mom.

Sincerely,

Ms. Disheik J.

thehiddensheik@gmail.com

To the Small Business Committee:

My name is Tanisha Richardson, and I live in Councilmember Eugene's district in Brooklyn. Dashing has helped me achieve a way to work and make money the way I need to. I am a single mother and time means everything to me. Between myself and my son, we have lots of morning obligations—I need to help him with school and his homework before I can go to work. Dashing is perfect for me, because once my mom duties for the morning are done I can go out and dash. Being able to work when you want to is a true stress relief. It's an amazing way to make extra money on the side while working another job or being a full-time parent. I would be lost without these apps. I truly enjoy being able to make my own schedule as an independent contractor.

I'd like to respectfully ask you to reconsider passing caps on restaurant commissions, because what you'll really be doing is hurting hardworking people like me: the single mother with no support who needs flexibility to be able to make ends meet for me and my son.

With Coronavirus plaguing our city, I now more than ever feel like I'm helping my community by getting food to those in need and by helping small restaurants who can't have their dining rooms open and can only get income through delivery. Please look for other ways to help restaurants that won't reduce pay of Dashers and couriers like me.

Sincerely,

Tanisha Richardson
Brooklyn

myvaelaine@gmail.com

Dear members of the Small Business Committee:

I am a Queens based delivery courier and live in Councilmember Holden's district. I have lived in New York for years.

Delivery platforms like DoorDash are one of the few truly non-discriminatory ways for people from all walks of life to find work in the private sector. Many couriers come from low income households and use the money they make on these platforms to supplement paychecks from their full time jobs. Many workers also come from diverse communities and have, until now, faced discrimination from employers, especially in the service industry. In traditional service jobs, people of color are often denied customer-facing roles and experience wage discrimination, but delivery services like DoorDash have finally leveled the playing field. Signing up on these platforms is a low-barrier way to start making money quickly. Dashing allows many people of color and non-native English speakers the ability to earn a living wage without the discrimination that can be very common in traditional service jobs.

I urge you to consider people like me and the essential work I'm able to do thanks to delivery platforms before you pass legislation that could hurt my earnings. Thank you.

Sincerely,

Raul Espinal

Queens, NYC

Raul Espinal

espinalraul@gmail.com

Dear Members of the Small Business Committee,

My name is Lisa Reilly and I am a DoorDash courier who currently lives in Councilmember Reynoso's district in Queens. I lost my job as a bartender due to COVID-19 almost 8 weeks ago and I am still waiting for my unemployment insurance. That means almost 8 weeks without income, if it hadn't been for me being able to sign up as a DoorDash courier. This work has literally saved me. Without it, I would not be able to pay my bills and continue living in my apartment. If I weren't able to work as a courier, I don't know what I would do. If my pay is decreased as a result of the bill the Council is considering, I still won't know what to do. Being laid off from my full-time job has already been a huge hit to my pocket book, if you cut my earnings even further, I will truly be in trouble.

I am writing to you today to respectfully request you oppose this arbitrary commission cap on food delivery. If passed, these caps would have a direct and detrimental impact on my ability to earn income making deliveries in the city. As you know, food delivery is an essential service in these times, further recognizing the important work couriers all over the city like me are doing.

Please, I urge you to reconsider this motion as it will be both detrimental to me and my fellow couriers, as well as the restaurants themselves. Please, don't make this time more difficult than it already is for us.

Sincerely,

Lisa Reilly
Queens, New York

lreilly510@yahoo.com

Testimony re: Intro 1908A

Hi, I am Jamel Hicks and I am a food delivery worker in New York City. I have heard that the New York City Council wants to cap commissions for platforms who do food delivery, but I worry that you haven't considered who will be squeezed if that cap is put into place. People like me, who earn a living making deliveries might see our pay decrease, or lose the opportunity to deliver altogether because it's such a low cap. You should think about it in two different ways. One is a cap on platforms that just list your menu, and one is a cap that considers how much it costs to pay a person like me who is traveling the city every day. It's not the same thing. This would help restaurants and make sure you aren't hurting those of us who trying to earn a living every day.

Thank you,

Jamel

--

Jamel Hicks

(646) 934-3190 |

Change your thoughts and you change your world. - Norman Vincent Peale

Jamel Hicks

jamelhicks95@gmail.com

To the members of the New York City Council,

My name is Allan Anderson, I am a Brooklyn-based Dasher, and I live in Councilmember Barron's district. My family dynamic changed in 2018 when my mother fell sick and I decided to move in with my aunt who had dementia. During that same time, I lost my job and was having difficulties finding full-time employment immediately. I saw an ad for DoorDash and decided to sign up to deliver; it was the greatest work decision I've ever made.

DoorDash offered me instant flexibility—I no longer had to worry about being on-call at a full-time job when my aunt or mother needed me, and I was still able to make great money. I ended up actually making more money than when I was working a 9-5 and in a shorter period of time. I already had aspirations to start my own business, and DoorDash has been the perfect entryway as I learn about how to set my own schedule and structure. I enjoy delivering customers food, and I especially feel like I'm performing a critical service to people in need during this crisis. I also firmly believe that DoorDash and other delivery platforms have provided a unique opportunity to those who have been laid off or forced to leave their 9-5, to those who are caring for loved ones or to students who are paying tuition. I don't know what I'd do if the flexibility was taken away, because to this day I still am the primary caregiver for my mother and aunt.

Doing app-based delivery work has been such a blessing to me and my family and I'd like the politicians trying to pass laws that will affect my ability to earn on these platforms to think about people like me. Putting limits on fees that restaurants are charged so that I get paid to deliver is going to hurt so many Dashers like myself during such an uncertain time.

Sincerely,
Allan Anderson

TRIPDUCTIONS Anderson

allan_anderson@hotmail.com

Please support and improve Int.1932 for Small Biz

Dear Hearings,

I am a Small Biz restaurant operator in your district and my company employed 80 NYC residents pre-crisis.

The suspension of commercial lease guaranties for Small Biz in COVID-19 impacted situations, whether personal or COMPANY GUARANTY (which is the same thing for us) is profoundly fair and absolutely essential to the survival of small businesses in our city. This measure is, by far, the one that gives me the most comfort as I lie awake every night thinking about how my company and family will survive the crisis.

Small business owners have had no choice but to accept the new and uncertain COVID-19 circumstances in real time, reset our expectations and make the sacrifices necessary to survive. We now desperately need our landlords to acknowledge these same circumstances and either negotiate with us accordingly or allow us to accept a calculable loss and move on. Suspending lease guarantees is the only way to force this fair and earnest negation based on the market conditions of today.

I URGE you to SPONSOR and PASS this critical legislation that will support small businesses in your district, giving us a fighting chance to survive.

Thank you for your consideration and support of neighborhood small businesses during the crisis.

Sincerely,

Dave Plate

dave@randolphbeer.com

104 South 4th Street Brooklyn, NY 11249 Constituent



Testimony of Jeffrey Garcia

On Behalf of

The NYS Latino Restaurant, Bar & Lounge Association (NYSRBLA)

Before the

New York City Council

Committee on Consumer Affairs and Business Licensing and Committee on Small Business

April 29, 2020

I would like to thank Chairman Cohen and Chairman Gjonaj as well as the members of the committees for the opportunity to submit testimony today. The NYS Latino Restaurant, Bar & Lounge Association (“NYSRBLA”) has over 100 members, ranging from individual Latino businessmen/women owning fast food establishments to gourmet larger restaurants to lounges and bars within the tri-state area. Our focus is advocacy, business training and legislative reform for the food and beverage industry, while simultaneously creating opportunities for minority owned businesses throughout the state.

Due to COVID-19, many of our member businesses have shuttered or transitioned to takeout and delivery, resulting in a zeroing out or significant loss in revenues. Since March 16, when we were asked to close our doors, our industry has been forced to consider scenarios that seemed unimaginable a week prior. We’ve had to lay-off, furlough or significantly cut the hours of our long-time employees. We’re grappling with questions like, how are we going to pay rent? Will we be able to reopen? If so, what will that look like?

At the same time, third-party delivery companies like Grubhub are continuing to charge the same exorbitantly high fees amounting to up to 30% of the total order. For these companies to take advantage during the midst of a global health pandemic is abhorrent and there must be action taken to cap these fees at 10% of total orders. This is taking money out of the pockets of hardworking business owners who are drowning and need this money now more than ever to keep employees on payroll and make rent. For these reasons, we strongly support Int 1908, which would prohibit certain third-party food delivery services, entities that provide restaurants with online order and delivery services, from charging restaurants more than a 10% fee per order for the use of their service.

Capping third-party delivery fees is only a piece to the larger puzzle of what it's going to take to help the restaurant industry through this crisis and beyond. Many of our members are serving communities of color communities that have been ravaged by COVID-19. We need government’s support now more than ever and it is in our government’s best interest to support small businesses, the backbone of our economy.

For this reason, we are in favor of the following proposed legislation that we feel are a good first step towards helping provide relief to our businesses in this difficult time:

- Int 1896: This bill would require that third-party delivery services, entities that provide restaurants with online order and delivery services, disclose to consumers any commission, fees, or other monetary payments imposed on participating restaurants

- Int 1898: The bill would prohibit third-party delivery services, entities that provide restaurants with online order and delivery services, from charging restaurants for telephone orders with customers that did not actually occur.
- Int 1907: This bill would prohibit third-party food delivery services from limiting the menu prices restaurants may charge on food and beverage orders.
- Int 1908: This bill would prohibit certain third-party food delivery services, entities that provide restaurants with online order and delivery services, from charging restaurants more than a 10% fee per order for the use of their service. During a declared emergency, when a state of emergency is in effect in the city and restaurants are prohibited from offering food for consumption on-premises, third-party food delivery services would be limited to charging restaurants delivery fees only, up to a total of 10% per order. All other types of fees, such as advertising or processing fees, would be prohibited.
- Int 1914: This bill would make threatening a commercial tenant based on their status as a COVID-19 impacted business or person a form of harassment punishable by a civil penalty of \$10,000 to \$50,000.
- Int 1916: This bill requires the Department of Consumer Affairs to waive and/or refund all fees due in the year 2020 related to sidewalk café licenses.
- Int 1932: This bill would prohibit the enforcement of personal liability provisions in commercial leases or rental agreements involving a COVID-19 impacted tenant where the default or other trigger event happened during the COVID-19 state of emergency. Threatening to or attempting to enforce such a provision would also be considered a form of harassment.
- T2020 - 6107: This bill requires the Mayor to publish guidance online listing all city licenses and permits covered by section four of his Emergency Executive Order Number 107 issued on April 14, 2020. This bill also requires the Mayor to publish guidance on renewal procedures and dates for such licenses and permits no later than 14 days before the state of emergency ends, with no renewal deadlines until 90 days after the emergency has ended.
- Res 1049: Resolution calling upon the United States Congress and the New York State Legislature to pass legislation to prohibit the use of a confession of judgment in business loans.

We look forward to working with the Council on these important issues.



**THE BUILDING OWNERS AND MANAGERS ASSOCIATION OF
GREATER NEW YORK'S TESTIMONY ON INT. NO. 1914, A LOCAL
LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW
YORK, IN RELATION TO HARASSMENT OF COMMERCIAL TENANTS
IMPACTED BY COVID-19, AND INT. NO. 1932, A LOCAL LAW TO
AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, IN
RELATION TO PERSONAL LIABILITY PROVISIONS OF LEASES FOR
COMMERCIAL TENANTS IMPACTED BY COVID-19**

The Building Owners and Managers Association of Greater New York (BOMA New York) appreciates this opportunity to submit the below comments for the record. BOMA New York represents more than 750 property owners, managers, and building professionals who own or manage 400 million square feet of commercial space in New York City. We are an association within BOMA International, a federation of 90 US associations and 19 international affiliates that own and operate approximately 10.5 billion square feet of office space in the United States.

These bills are part of a packet of potential legislation that purports to add various protections for different groups who have or will be impacted by COVID-19 and the pandemic it has created. Although we appreciate the City Council's desires to help the City mend when this health crisis is mitigated or over, we feel that these and the other bills were rushed out without proper consultation with various stakeholders, including the commercial real estate community, and will undoubtedly cause significant obstacles to recovery.

Commercial real estate has been devastated by the COVID-19 outbreak. In the face of these challenges, our critical employees have worked diligently to keep buildings up and operational and open, even if most tenants have elected or been told to stay away. With spaces empty and with many tenants suffering unprecedented losses, commercial real estate has not been spared. The cost of keeping buildings open is significant, and those costs will only escalate as our tenants return in the new COVID-19 world, where a wide range of public health safety practices will need to be implemented in buildings that will impact budgetary bottom lines as well as create significant operational challenges.

Given the never-before-seen nature of the impacts of this virus on New York City and its economy, it's critical that we find the right responses that help everyone get back up and running, and that do not create barriers and unforeseen consequences that hinder recovery. These two bills do not live up to that challenge.

Int. No. 1914 would add certain individuals and companies impacted by COVID-19 to the list of those who cannot be harassed by commercial landlords. Any landlords found to harass COVID-impacted tenants would face massive fines.

There is no evidence such a bill is needed. Indeed, with buildings largely empty, and with no or few new leases being signed, commercial landlords are working with tenants to help find ways for tenants to stay in their spaces during and following the pandemic. Therefore, they have no incentive to try to drive tenants out, which is the essential aim of harassing tenants. Consequently, the bill is designed to solve a problem that does not and will not exist, and should be jettisoned.

It should be noted, however, that, should this bill move forward, it would need to state clearly that any social distancing or other measures called for by the government or public health officials would not constitute harassment under the law. It could easily be argued that actions such as limiting elevator occupancy or other potential anti-COVID strategies could meet the current definition of harassment.

Int. No. 1932 would nullify personal liability provisions from commercial leases. As stated earlier, in this unprecedented crisis, landlords and tenants have had to come together to reach agreements where everyone has the best opportunity to financially manage this pandemic. Again, landlords have no interest or stake in losing commercial tenants, even those hardest hit by COVID-19. For the City to come in and force one particular strategy on landlords and tenants will only impede such discussions. It would be far better to allow those negotiations to continue in an open and unconstrained fashion, where there is maximum flexibility to work out individual solutions that take into account specific aspects of each situation.

In conclusion, these two bills, along with the others that are in this packet, emerged suddenly and with no prior discussion with most, or even any, of the stakeholders they would most impact. Not surprisingly, that approach has led to bills that are going to make recovery worse and not better. We strongly suggest that the Council drop these bills and engage in a stakeholder process that will bring better results.

Testimony of the New York City Hospitality Alliance Before the Committee on Consumer Affairs and Business Licensing & Committee on Small Business

April 29, 2020

My name is Andrew Rigie, and I am Executive Director of the New York City Hospitality Alliance (“The Alliance”). The Alliance is a not-for-profit trade association representing restaurant and nightlife establishments throughout the five boroughs. I want to thank Chair Gjonaj and members of the Committee on Small Business for the opportunity to testify on these legislative items as it pertains to the hospitality industry. **The following written testimony is in addition to my detailed oral testimony provided at the public hearing.**

The Alliance supports these bills as they will provide much-needed relief for restaurants and nightlife establishments:

- [Int 1896](#) This bill would require that third-party delivery services providing restaurants with online order and delivery services disclose to consumers any commission, fees, or other monetary payments imposed on participating restaurants.
 - **Comment:** This provides important disclosure to customers, so they are aware of the fees associated with their delivery orders. When fees are presented to the public it will create consumer market pressure to reduce fees to reasonable rates. **We support Int. 1896.**
- [Int 1897](#) This bill would require certain third-party food delivery services to obtain a license to provide their service to restaurants in the City. Application terms, fees, renewal and refusal of licenses would be determined by the Department of Consumer and Worker Protection.
 - **Comment:** It has been well documented how certain third-party delivery platforms have exploited restaurants before, and even during the COVID-19 pandemic, such as charging small businesses bogus fees. By licensing these companies, the City will have greater authority to rein in unlawful and unethical business practices. **We support Int. 1897.**
- [Int 1898](#) This bill would prohibit third-party delivery services providing restaurants with online order and delivery services from charging restaurants for telephone orders with customers that did not actually occur.
 - **Comment:** It has been well documented how Grubhub and Seamless charged restaurants bogus fees for phone calls that did not result in an order being placed with a restaurant, and then created hurdles for businesses to be refunded for these fees. This is common sense legislation that will prohibit third-party delivery companies for charging restaurants for services they did not provide. **We support Int. 1898.**

- [Int 1907](#) This bill would prohibit third-party food delivery services from limiting the menu prices restaurants may charge on food and beverage orders.
 - **Comment:** Restaurants need the ability to charge different amounts for the food and beverage they sell in their restaurants, online, and on different third-party delivery platforms, especially considering the high fees many of these services charge them. It is unjust for third party companies to restrict a restaurant’s ability to charge different amounts for the same product on different platforms. Due to the high fees many third-party delivery companies charge, by restricting variable prices in different marketplaces, the end result is consumers pay artificially inflated prices at every point of sale because restaurants can’t charge less to consumers where there is no third-party fee or a lower one. **We support Int. 1907**

- [Int 1908-A](#) This bill would prohibit certain third-party food delivery services, entities that provide restaurants with online order and delivery services, from charging restaurants more than a 10% fee per order for the use of their service.
 - **Comment:** This legislation is past due and must be enacted into law immediately. Companies like Grubhub and Seamless control nearly 70% of the NYC third-party restaurant delivery marketplace, they use their leverage to increase fees on businesses that average between 15-30% of each order, while using other practices like ownership of customer data and other techniques to keep restaurants on their platform. Restaurant delivery is also a critical part of the food supply system and in order to keep restaurants offering this service during and post pandemic we must cap the fees. **We support Int. 1908-A**

- [Int 1914](#) This bill would make threatening a commercial tenant based on their status as a COVID-19 impacted business or person a form of harassment punishable by a civil penalty of \$10,000 to \$50,000.
 - **Comment:** We cannot permit the operators of restaurants and nightlife establishments to be harassed because of the impact COVID-19 has had on their business. **We support Int. 1914**

- [Int 1916](#) This bill requires the Department of Consumer Affairs to waive and/or refund all fees due in the year 2020 related to sidewalk café licenses.
 - **Comment:** Operating a sidewalk café will generate important revenue for restaurants as they reopen, and it will be more important than ever as businesses will probably not be allowed to operate at full occupancy inside. Customers may also be hesitant to dine indoors coming out of this pandemic; thus, sidewalk cafes will be an even more desired dining area. Sidewalk cafes fees are high and eliminating the fee in 2020 will provide important financial relief to local restaurants. **We support Int. 1916**

- [Int 1932](#) This bill would prohibit the enforcement of personal liability provisions in commercial leases or rental agreements involving a COVID-19 impacted tenant where the default or other trigger event happened during the COVID-19 state of emergency. Threatening to or attempting to enforce such a provision would also be considered a form of harassment.

- The owners of restaurants and nightlife establishments have been devastated by the COVID-19 pandemic, and fully reopening their businesses presents incredible financial and operational challenges. Sadly, many may never reopen. Unfortunately, many of these small business owners have personal guarantees in their leases and cannot pay their rent due to the mandated government shutdown and pandemic, both of which are out of their control. These businesses have been financially devastated, and we cannot now let the owners of these small businesses have their personal assets be taken from them too and/or be harassed, which would compound the devastation. That is why prohibiting the enforcement of these provisions related to COVID-19 is critically important. **We support Int. 1932**

We oppose these bills:

- [Int 1846](#) This bill would require certain NYC businesses to disclose information about how gratuities are provided to their delivery workers regarding online orders of goods.
 - **Comment:** One significant concern with this bill, as drafted, is that it does not clarify who would be liable for the penalty if a violation occurs. We could imagine a situation where a local restaurant provides all the required information to Third Party Provider (“TPP”), and the TPP does not put the information on the website or in the app. There are also strict federal and state laws restaurants must comply with as it pertains to their employees’ gratuities, for which a violation carries significant penalties. Therefore, this legislation just creates an additional layer of regulatory burdens for restaurants from another level of government when there are existing worker protections in place. **We oppose Int. 1846.**
- [Int 1895](#) This bill would require the Department of Health and Mental Hygiene (“DOHMH”) to establish rules that would decrease the risk that food packaged by restaurants for delivery is tampered with before reaching the customer, which may include requiring tamper-evident packaging.
 - **Comment:** While we appreciate the intentions of the bill and in normal times most likely would not object, given the crisis, it is not an appropriate time to add additional financial and operational burdens on local restaurants, especially without a body of evidence suggesting that normal packing practices do not satisfy food safety standards. **We oppose Int. 1895.**
- [Int 1921](#) This bill requires food service establishments and third-party food delivery services to post sanitary inspection grades on their websites or other online platforms.
 - **Comment:** The restaurant letter grade system is flawed as it poses unnecessary regulatory burdens on restaurants and doesn’t present consumers with an accurate representation of sanitary conditions, which is one reason we object to further promoting letter grades. It would be more troubling to require and rely on third-party platforms to timely update thousands of restaurant letter grades to reflect the Department of Health and OATH’s findings, which change daily. Therefore, such a requirement may cause incorrect letter grades to be posted, which will harm small businesses and consumers. **We oppose Int. 1921.**

We appreciate the City Council and the Committee on Consumer Affairs and Business Licensing & Committee on Small Business for their time and consideration on this legislative package. We ask that our recommendations be considered for Int. 1846, Int. 1895 and Int. 1921 and we urge you to pass Int. 1896, Int. 1897, Int. 1898, Int. 1907, Int. 1908-A, Int. 1914, Int. 1916 and Int. 1932.

Please contact me with any comments or questions at arigie@thenycalliance.org.

Respectfully submitted,

A handwritten signature in black ink that reads "Andrew Rigie". The signature is written in a cursive, slightly slanted style.

Andrew Rigie
Executive Director
NYC Hospitality Alliance



**New York City Council – Committee on Small Business
(Jointly with the Committee on Consumer Affairs and Business Licensing)**

Oversight - The Impact of COVID-19 on Small Businesses in New York City

Testimony from the New York Immigration Coalition

April 29, 2020

Good afternoon. I am Steven Choi, Executive Director of the New York Immigration Coalition, an umbrella policy and advocacy organization that works statewide with over 200 immigrant-serving member organizations. Thank you to Chair Gjonaj, Chair Cohen, and the members of the City Council Small Business & Consumer Affairs and Business Licensing committees for convening this important hearing and allowing us the opportunity to submit testimony on impact that COVID-19 has had on small businesses

With over 160,000 confirmed cases and close to 12,000 confirmed deaths, the horrific impact of COVID-19 on New York City cannot be understated. This disease has infected every facet of our City, from our schools, to our hospitals, and our transit system, all have felt the effects. One area that has felt the immense impact has been small businesses in NYC, particularly those that are owned by immigrants, serve immigrant communities and those that employ immigrants. We applaud the Council for acknowledging that small businesses have fared poorly during this pandemic and for your attempt to do something to intervene and provide relief. We support Intro 1846 by Councilmember Torres, as protecting the wages of primarily immigrant frontline delivery workers is very important. They are risking their lives to deliver our food and should receive all their wages and more. Similarly, we also support Chair Gjonaj and Councilmember Moya's bills, Intro 1895, Intro 1896, Intro 1897, Intro 1907, and Intro 1908, that protect small businesses from being gouged by fees by third-party food delivery services. We also support Councilmembers Rivera and Adams' bills, Intro 1914 and Intro 1932.

All that being said, I must be honest in saying that these bills do not go far enough to support small businesses, let alone immigrant run small businesses. We've seen hundreds of billions of dollars from the Federal Government get doled out to support small businesses and completely miss the target. Large corporations like Ruth's Chris Steak House, Shake Shack, and the Los Angeles Lakers took millions of dollars in loans. These are not "small" businesses by any

reasonable definition! Congress has passed four coronavirus-related bills in the past two months, and every single one has left out our immigrant communities. Washington DC has failed immigrant small businesses and they desperately need NYC and this Council to have their backs.

First and probably most impacted by COVID-19 has been the small businesses in Asian American communities across the city, as well as, Chinese and other Asian-run small businesses around the City. These communities, and small businesses in them, have borne the brunt of additional attacks brought on by fear & xenophobia, with the Trump administration leading the charge with their racist rhetoric. Anything this Council does to support small businesses must start in those communities.

As part of our NY United campaign we have identified several common-sense measures to ensure immigrants across NYC can remain safe and healthy, and it includes a few items that would be crucial in supporting small businesses.

1. Create an emergency cash assistance fund for those New Yorkers cruelly left out of the federal relief packages, including direct cash payments and help for small businesses. Punishing landlords that are harassing tenants, both residential and commercial, should be done in tandem with direct cash relief to be truly effective.
2. Expand New York City paid sick leave law from the current mandatory five days to fourteen, and ensure that paid sick leave coverage extends to nonprofit employers whose contracts do not allow wage adjustment (i.e. paying one staff for PTO and paying another staff to cover their shift, and allowing preventative isolation to be considered as paid sick leave)
3. Expand access to food vendor licenses by passing intro 1116 by Councilmember Chin. Asking DCA to wave and refund sidewalk cafe fees is good but something must be done to help the thousands of immigrant food vendors who still have to pay the price of their licenses whether they acquired them from the City or through the underground market. Not only would passing intro 1116 create economic opportunity and help for small business development it is one thing that will actually bring in revenue to the City.

Once again thank you for convening this extremely important hearing and allowing me to testify. Myself and our entire organization look forward to continuing to work with you all to come up with solutions that ensure that everyone enjoys full and equal opportunity to recover from the threat of this virus and the worst potential economic downturn since the Great Depression.

Support Int 1932-2020

Dear Corey Johnson

I am glad to write to you as a small business owner in Chelsea, Manhattan. My late customer James Campbell who passed away from Coronavirus always talked to me about you.

My restaurant is closed since the pandemic got worse and there is little hope to get back to business due to high rents, the owners' greedy tactics, social distancing regulations, and business slowdown for the next 2 years. Therefore, our only hope is that our lawmakers pass new regulations that help small businesses close their stores without the need for any close in the contracts and hand in the keys to owners. Also, we need to get rent relief for this period. Please help us with your support and attention as we are really helpless.

Peter Andersen

Ivanka Catering LLC

Champignon Restaurant

ivanka2050@gmail.com

I Need 1932 - 2020 to PASS - What Can I do??

City Council Speaker Johnson (and Senator Hoylman) //

My name is Gabriel Stulman and I am both a resident and small business owner in the West Village of Manhattan. My wife and I along with our two children live on Christopher Street b/w Greenwich and Washington. The elder of our two sons attends P.S. 3 on Hudson Street. I own five small neighborhood restaurants in the neighborhood that range from 11 years old to 7 years old — they include Joseph Leonard (32 seats), Jeffrey's Grocery (45 seats), Fedora (40 seats), Fairfax (40 seats) and Bar Sardine (28 seats). Additionally, I own 3 other restaurants - one in Noho and two in Flatiron. Collectively, I used to employ nearly 270 people. On Sunday, March 15th - as the severity of the crisis began to set in - I laid off approximately 265 of my colleagues, many of whom have worked with me since we opened our first business in 2009. Because we don't have the kinds of jobs one can do from home, and without financial resources to pay people for even a week without becoming insolvent, we laid off directors, managers, chefs, office workers and all of our hourly employees. This part of my story is not unique — but please keep reading, I have some important points to make that I hope you'll consider at this critical moment.

Prior to March 16th's mandated closures, all of my restaurants were profitable and operating in the black.

Today, if all unpaid rent, sales tax, utilities, insurance, vendor bills, etc are all due in full then each of my restaurants is in the RED between from -\$90,000 to -\$160,000, depending on location and expenses.

We have applied for every loan and grant that we've deemed worthwhile: NYC Business Continuity Fund, Federal EIDL Loans, James Beard Foundation Grants, and the Federal PPP Loans. In most cases, we've had to submit 8 independent applications - one for each individual LLC. ***To date, we have not been approved for a single application.***

Without aid (whether private or government funded) — specifically in the form of GRANTS — we will likely close multiple businesses. I believe my current circumstances are shared by the majority of small restaurant owners in New York City. Emotionally and financially I am preparing for this possibility of going bankrupt and belly up. Not being able to pay vendors, utility companies, taxes, etc. should be enough - however, that is not where this story ends. I am concerned that my landlords in addition to them keeping my security deposits (most of them 3 months and in excess of \$60,000), are entitled to — and likely will — sue me personally for my obligations under my various leases.

The [Bill 1932-2020](#) that you have proposed is instrumental to my existence and that of most small businesses in this city. I am currently living in fear and anxiety of my personal exposure to my landlords, most of whom are demonstrably unsympathetic to my standing during this crisis, and extremely unlikely to release me from any potential liability. If this legislation is not made into law, I do not have enough assets or savings to cover the personal liability and guarantees of all of my commercial leases. If this bill does not pass, I am at risk of not only losing my restaurants and my income, but beyond that, I am at risk of losing the entirety of my life savings and any and all assets I have until I am personally bankrupt.

I understand and accept the terms of the Good Guy Clause under normal circumstances. I accept the responsibility that if my business is failing, that I need to provide adequate notice to my landlord before exiting the lease. The "Notice Period" for most of my leases ranges from 3-6 months. Under my current obligations, I must cover all arrears in rent (April and May) plus an additional 3-6 months of rent after I give notice. Failure to pay all of that rent in addition to sacrificing my security deposits, leaves me personally liable. That's a *bullish* set of circumstances to be forced to agree to under normal circumstances — but we all agree anyway, because that is the rules of the game of commercial leases. **These are NOT normal circumstances.** To hold me - and others like me - accountable to these clauses when the reason for our failures and closures can be precisely attributed to the COVID-19 pandemic and subsequent government mandated closures is fatal.

I have done everything in my power to mitigate these circumstances directly with my landlords. Despite the siren blaring in the background, most of my landlords remain unmoved and my attorneys have advised me in stark terms about my risks. I appeal to you as a last resort before me, and the many other well meaning business people, residents, and families like mine, that are at risk of being decimated.

Here are summaries of communications with three separate landlords of mine — do not reach out or communicate with any of them please. I am sharing this with you not for you to talk with them, but to let you know that this is what is actually happening and it is not hypothetical concerns:

Bar Sardine (Landlord: BEACH LANE - Mitch Rothken): Yesterday, we sent a proactive email to our landlord to tell them that in addition to the fact that we were unable to pay April Rent and due to the continuation of the current state of affairs, that we are also unable to pay May Rent. We explained to them our situation in detail as well as all actions we are taking to resolve. The response we received was: "You are already in default. We do not consent to the withholding of rent, the rent remains due and owing, the lease remains in full force and effect, no terms of the lease or any rights of the landlord are waived and all such rights are expressly reserved by the landlord."

Fedora (Landlord: GOTTLIEB): Two days ago in a completely impersonal manner their accounting department sent an invoice for May Rent showing the amount due in full. Also they showed that they drew down against my security deposit to cover the rent arrears for April Rent. I know this Landlord

well enough to know that they will certainly expect me to replenish the security deposit in full and potentially more. The lease is written in a manner that if the security deposit is ever needed to be drawn down (which has now occurred) that the landlord can then require me to replenish the deposit and increase the number of months of security deposit. This landlord has a reputation that you may very well be aware of. Without legislation on my side, I have every expectation that they will require me to replenish the security deposit beyond 100%

Joseph Leonard (Landlord: DUELL): In addition to the restaurant space that I rent on the ground floor, I have also rented the 1 bedroom apartment directly above it for the last 9 years. One week ago, the landlord reached out to me to explain that the term of my lease at the apartment is set to expire on May 31, 2020. If I am interested in staying, they will “allow it” with an increase of \$75 per month! To me, reaching out in this time to a tenant of 9 years to tell them that their rent is increasing in the midst of all of this is so insensitive and tone deaf that it is foreshadowing the actions and unwavering position that I expect them to take in regards to the commercial lease rent arrears and future months.

This is a sample of the beginning of what we stand to face.

Furthermore, if we can make it through this period and get re-opened, I expect (and I accept as a caring citizen) there to be regulations and limitations on the number of seats we are allowed to have in our restaurants. Whether that reduction be percentage based or based on number of feet between tables doesn't matter. What does matter, is that for the foreseeable future, we will have fewer seats than we once did. Additionally, it is certain that for many, legitimate safe behavior in the face of COVID-19 will change how, when, and the degree to which people dine out, likely for long after restrictions ease. This all but guarantees that revenue in the restaurants will be down anywhere from 30% - 80%. I accept that it is my responsibility as a business owner to figure out how to adjust and pivot to this new normal. I accept that responsibility. However, there is no way I (or any of my independent restaurant peers) can sustain our original rents if we don't have full restaurants.

Even if by some stroke of luck, we manage to re-open our businesses without rent relief, *GRANT Assistance*, or tax rebates, there is no way we'll be able to stay open under the pressures of pre-COVID rents, minimum wages, insurance costs, etc. in the even we are approved for any of the PPP Loans we applied for (still crossing our fingers) the 25% that can be used for non payroll expenses in most cases won't even be sufficient to cover the arrears owed in rent, so there definitely won't be any aid in future months rent, utilities, etc. All of this to say that adversity will be the norm for small business like ours and the fight will continue long after this round.

Your bill, at the least, can give me and all of my peers the comfort that if we fail and cannot reopen, or if we reopen and can't sustain our businesses, at least the failure of our business will be punishment

enough - we won't also lose our personal livelihoods, our life-savings and the protection we've afforded our families.

If we don't receive any loans or grants - I can still figure out how to reopen.

If we don't receive any rent discounts in future months, I can still give it a go at reopening and hope for the best.

But, if I am still personally liable for a failed business to my landlord - that I can't justify and I can't give a go.

All of the leverage has always been and is still in our landlords hands. It needs to shift right now.

While we wait for government action to address so many of our fears, I have chosen to activate what remains of my teams to take action in areas that I can control. We have spearheaded three initiatives since going out of business: 1) Taking Care of Our Team; 2) Taking Care of First Responders; 3) Taking Care of Our Community. If you care to learn about any of our actions in these areas, summaries are below.

TAKING CARE of OUR TEAM, We have raised nearly \$70K in private donations to establish a FREE FOOD BANK GROCERY STORE for all of our former employees. Each week we leverage our wholesale distributors and our ability to purchase in bulk and on terms to buy enough fruits, vegetables, meat, fish, dairy, grains and starch to create 40 pound bags of free groceries to every member of our staff. We use the volunteer support of our out of work colleagues to receive, prep, portion and distribute these groceries once a week. Each staff member receives enough groceries to last them an entire week until they return for another pick up. Each week we distribute approximately 150 bags with enough food to feed nearly 300 people for a full week and we have done this already for 4 weeks and we are actively working on our 5th week of this initiative.

TAKING CARE of FIRST RESPONDERS, Three weeks ago we joined forces with the Paul Singer Foundation and the Jewish Food Society to supply Feed the Frontlines. We're currently producing 300 meals a day, seven days a week out of our kitchen at Joseph Leonard. Over the last month, we have prepared well over 5,000 meals and delivered them to hospitals around the city including Woodhull in Brooklyn, Lenox Hill and Cornell Weil in Manhattan. This initiative has had the dual benefit of allowing us to re-employ 8 people and provide around the clock support to our city's first responders.

TAKING CARE of OUR COMMUNITY'S NEEDS, about one week ago after dozens of neighbors continued to knock on our glass windows while we prepared and distributed groceries for our staff and meals for first responders — our neighbors asked us if we would consider selling groceries or meals to them. We

heard their frustration about the challenges of grocery shopping in the city and we realized there was a valuable service we could provide. So we reopened our restaurant, Jeffrey's Grocery, as an actual grocery store with the aim of creating a more personal, higher quality, grocery experience with warm hospitality and superior value. Once week in, we've been rewarded with plenty of interest and enough sales to have incurred only a small operating loss (approx. - \$1,500 in losses last week). We have been able to re-employ another ten individuals and we will continue to offer this service because our neighbors' response has affirmed this is something the hood wants and needs and with a couple of tweaks, we believe we can at least break even.

If you've made it this far, thank you for taking the time to read my story. Thank you for your public service. Thank you for proposing this bill. I hope that this passes on every level sooner than later, because our landlords are coming after us, and time is of the essence.

If there is anything more I can do locally or beyond to support this bill please tell me - I am at your service.

Sincerely,

Gabriel Stulman

CEO/Founder

[Happy Cooking Hospitality](#)

Strong Support for Int 1932-2020

Hi Speaker Johnson,

I am the founder Wisefish, a small business (restaurant) located at 263 W. 19th St. I have also lived in your district for over 5 years. In the face of the COVID-19 epidemic we have seen our revenue go to zero as we had to close our doors. As my business is in financial ruin I am trying my best to re-open once it is safe. I've applied for grants, aid, and other government funding - so far to no avail. I hope to re-open for both our community and for my employees. If I can manage to turn the lights back on, reopening will be tough and building sales volume back to sustainable levels will be long - there is no guarantee we can make this work.

This story is the same for many of my friends and colleagues in the restaurant industry. When we signed our leases we had every intention of living up to the terms and guarantees we made to our landlords. If we failed because our business didn't work, that was on us - and we understood the costs. However, the situation we face today is failure due to an unprecedented circumstance that was completely out of our control.

Because of personal guarantees in our leases I not only have to deal with a potentially failing business, I too have to think about personal financial ruin and bankruptcy. As a newlywed I look to the future and was hoping to begin a family and potentially buy a home. These are all things that would need to be put on hold with a bankruptcy on my record.

I urge you to vote yes on Int 1932-2020 so small business owners like myself can focus on trying to save our businesses and not worry more than we already do about personal bankruptcy and financial ruin.

Best,

Bryan

Bryan Cowan

bryan@wisefishpoke.com

April 27th, 2020



BOARD OF DIRECTORS

MICHAEL LYTHCOTT
Chairman

LINARA DAVIDSON
Treasurer

VELMA BANKS
Secretary

BILL STRICKLAND
CLEO WADE
MICHELLE WILSON
DAVID ALAN GRIER
VAN JONES
ZÖE KRAVITZ

SADE B. LYTHCOTT
Chief Executive Officer

DR. BARBARA ANN TEER
Visionary Founder

Dear Honorable City Council Members,

Ahead of the Council's FY21 budget hearings, The National Black Theatre (NBT) wanted to send you, the members of the Council, a profound thank you for the vital support and funding of the Council's initiatives. This is specifically a thank you for the funding for the **Coalition Theatre of Color Initiative [CTC]**; an initiative that not only supports, but safeguards 42 institutions of color across all 5 boroughs, serving millions of NYC residents in some of the hardest-hit communities by COVID-19. We don't pretend to know how difficult and complicated this upcoming budgeting process will be for the Council, balancing huge deficits with much-needed support especially in the areas of health and human services, yet we think it is important to bring to your attention the vital need and tremendous impact of your generosity to date.

Because of the continued growth and support of the CTC initiative, last year alone **NBT was able to provide close to 10,000 free or deeply discounted tickets to members of underserved communities, including youth, seniors and people with disabilities**, to experience quality cultural programming within their own community; by eliminating this significant barrier to attending programs, CTC funding creates greater opportunities for access to thousands of NYC residents who historically have been disenfranchised, making the experience of seeing live theater affordable for all. CTC funding also enables **NBT to annually provide over 250+ local artists of color, community organizations and smaller theater companies with affordable/free space** in its facility, which in turn provides tens of thousands of NYC residents with free and/or affordable community events, productions, classes, and symposiums. Career-building, community-building, and empowering opportunities are provided through this vital support that enhances the quality of life in our neighborhoods, promoting an understanding and appreciation of ourselves and our culture, transforming lives from the grassroots up. Priority for the subsidy from these critical CTC initiative dollars are given to **artists of color, women-owned/lead organizations, and organizations that serve a variety of disparate groups including the formerly incarcerated population, low-income families, and the rich diversity of immigrant communities**. Lastly, CTC funding has been essential to NBT's critically acclaimed LAB (Liberating Artistic Bravery) residency program. As an integral part of the NYC performing arts ecosystem, the work of the LAB addresses culture, identity and belonging, using culturally specific technology forged by our founder Dr. Barbara Ann Teer and innovation to bring under-represented voices from the page to the stage. Making this **CTC funded program one of the country's leading programs helping to train the next generation of artists of color, while diversifying the American theater field**. Through the devastating impact of COVID-19 NBT is also pleased to report that we have pivoted in this time of social distancing to producing free digital programming, **NBT@HOME: Uplifting Communal Resilience** will now be an ongoing staple in all of our seasons to come. This new programming initiative will provide consistent creative outlets and communal spaces for NYC communities of color to tackle some of the pressing present pulse issues that this unprecedented moment has generated.

National Black Theatre (NBT), the nation's first revenue-generating Black arts complex, was founded in 1968 by the late visionary artist & entrepreneur Dr. Barbara Ann Teer. NBT is the longest-running Black theatre in New York City, and one of the oldest theaters founded and consistently operated by a woman of color in the nation. Located

in the heart of Harlem, NBT is a contemporary cultural arts complex that serves as a creative laboratory and a vital hub for Black theater artists from around the world, welcomes more than 90,000 visitors annually & contributes over \$8M to New York City's economy. Since its inception, NBT has been at the forefront of a broader movement of engaging the arts for social change, economic growth and transformation in innovative ways that build community through the institution's programs. For the past half-century, NBT has directly invested over 10 million dollars in the production and development of 300+ original works by Black artists, garnered 53 Audelco Awards for theater excellence, toured globally and launched international extensions, most recently the National Black Theatre of Sweden in Stockholm. Working with trailblazing artists from Nona Hendrix to Jeremy O. Harris and helping to launch the careers most recently of leading-edge artists such as Dominique Morrisau, Mfoniso Udofia, Saheen Ali and Ebony Noelle Golden; and incubating organizations like the Harlem Shakespeare Festival, Obie award-winning companies The Movement Theater Company and Harlem 9's 48 hours in Harlem. None of which would be possible without the support of the City Council's initiative funding.

Today, our role in the local conversation is more vital than ever before. Black, Latinx, and Asian communities are among the most vulnerable populations in this COVID-19 crisis. Our work has always focused on empowering artists from these communities, and this mission is now more important than ever. It cannot be overstated how important the Council's initiatives have been in directly addressing the disparities of funding and resources to communities of color. We are not CIGs, we have no commitment and unreliable investment from the City for our existence besides these Council initiatives. **For NBT, the CTC Initiative has been by far the most impactful source of public funding we've received in the past decade.** The establishment and growth of these vital initiatives attributes to the tremendous explosion of creative talent and essential programs offered in our communities; without such funding, our communities of color would literally go unserved. **As we all begin to envision a future for our great City, let us ensure that recovery is equitable across all communities - but especially communities of color hit hardest by the pandemic.** Again thank you for your tremendous support and we implore you to please protect the future and vitality of the 42 CTC theatres like National Black Theatre. The CTC is more than a collection of theaters, we are cultural hubs of healing through social and civic exchange and engagement. We look forward to rebuilding and reimagining our sector with committed City Council members like you.

With gratitude,



Sade Lythcott
Chief Executive Officer, National Black Theatre
Chair - Coalition of Theatres of Color

Hi, my name is Ourie Amar and I run Main Street Bagels, which has 1 restaurant in Queens, NY. My restaurant offers both eat in, take out, and delivery service during normal times. I wanted to provide feedback on Intro 1908A, which considers commission caps to delivery platforms.

These platforms are not all the same. I know from talking with others in the business that each one offers something different that may work better or worse depending on the restaurant's business. For me, I depend on the delivery option offered by Uber Eats and understand the costs that come with having a real person delivering food from my restaurant to consumers. It's unclear how the costs of delivery people can be covered if we cap fees at 10% and what that will mean for my business.

I am hoping that instead of passing this permanent cap that includes delivery, you will instead create a cap and require transparency on the other fees that are less understood -- like what it costs to list a restaurant on a platform, and marketing, and operating costs. Those costs should not be a double-digit fee to my restaurant.

By capping everything including delivery at 10%, I am worried that the platforms will no longer be able to offer delivery, and will just become the same listing service, thereby putting the onus back on the restaurant to figure out how to move food to consumers.

Thank you for your consideration,

Ouri Amar
Main Street Bagels
Ouri Amar
mainstreetbagels@gmail.com

Written Testimony for the New York City Council

April 2020

My name is Julie Chen. I am a volunteer with Think!Chinatown and New York resident.

I urge this committee to ensure equity is at the heart of each covid-relief initiative. So far, programs have been missing the mark for small businesses in Chinatown. With such sweeping changes sure to come, we fear generalized relief programs may unintentionally give advantages to investors with access to big capital, resulting in an acceleration of displacement in Chinatown. I learned about this issue from [Think!Chinatown](#), and would like to contribute my support of the following topics, as it relates to COVID-19 relief for small businesses, particularly those in Chinatown.

COVID-19 Relief Recommendations

While all New Yorkers are hurting at this difficult time, I'd like to raise a red flag about how the small business community in my neighborhood has been disproportionately impacted by the pandemic, and how existing relief efforts have insufficiently addressed their needs at this critical time.

- We are all aware that the **economic downturn began as early as January in Chinatown.** This is **due to xenophobic fears but also due to cultural norms** in our neighborhood that led to more stringent social distancing practices earlier on in the pandemic. The neighborhood went into "On Pause" mode in a more intense manner and on an earlier timeline compared to other neighborhoods in NYC. By late January, Chinatown residents had already begun cancelling plans for large Lunar New Year gatherings despite the importance of the holiday. On the weekend of the Lunar New Year parade (Feb 15), restaurants were mostly empty on what is supposed to be the busiest day of the year in Chinatown.

- Both **SBS & SBA grant and loan programs were not inclusive of immigrant-owned businesses.**

- Because of the cash-based business practices common in Chinatown, the paper trail to document full profit loss is not readily available.

- Language support on the application and on outreach for the programs were sorely lacking. Grassroots efforts worked hard to fill in these gaps with translations of applications and documents, but by the time we organized and

were prepared to assist our community of business owners, funding for these programs had already run out.

- Informal payroll practices are common in small family-owned businesses, (where maybe the whole family is helping out their family owned business, but only one member is paid out as owner) excluded many businesses from being able to apply for the payroll protection program.

Despite the intention of employment retention, SBS and SBA programs have been missing the mark in Chinatown, therefore the business community needs targeted support. Here are some places where we think the City Council can invest:

- **Protecting the wholesale produce network that is the life blood of our neighborhood's economy.** In Chinatown, the wider goal of employment retention needs to include protection of the infrastructure needed to sustain the ecology of businesses in the neighborhood. While this network of produce wholesalers in Chinatown is not visible in a way that Hunts Point is, these wholesalers create an entire ecology of businesses parallel to mainstream produce industry. They source from small and medium sized immigrant-run farms that specialize in Asian vegetables along the East Coast. The 40-plus grocers and hundred-plus restaurants in Chinatown are dependent on this infrastructure along with the many Asian restaurants and grocers across the City. A failure of this infrastructure will lead to many downstream effects such as closures of retailers and restaurants, resulting in the loss of many (official and unofficial) jobs.

- **Design programs to specifically target commercial rent relief.** Rent burden is the number one concern for most business owners in Chinatown. While real estate values/property tax/rent have been rising across the City, what really compounds this issue for small business owners in Chinatown is that Asian-owned businesses are most likely to be in the service sector with lower wages (found in this [Asian American Federation](#) study). Chinatown business owners take on these thin margins and tough business conditions because self-employment is a means of survival when you are shut out of the mainstream job market due to language skills or citizenship status.

- Existing covid relief programs have not adequately addressed the issue of rent burden. For instance, the PPP loan size is based on past payroll expenses, and it doesn't take other business costs (such as rent) into account. This stipulation works against small business owners in Chinatown who experience high rent and lower payroll burdens. This limits the loan amounts available to Chinatown small business owners.

- Chinatown is one of the "[Neighborhoods With the Most Rent Stabilized/Controlled Units](#)"; therefore, commercial property takes up the burden in any increase of property tax or water/sewer fees. Landlords have less flexibility to lower Commercial rents on street level storefronts without relief from the City.

- **Protect Mom & Pop Legacy Businesses/Culturally Significant Businesses.** These are the businesses that built Chinatown into the culturally rich neighborhood it is. We need targeted incentives such as rent vouchers, or special property tax breaks for landlords who rent to a legacy business. We need a clear strategy to ensure these vulnerable institutions can stay in place.

- **Provide clear, timely, and *in-language* information about fines and regulations.** There is so much uncertainty around fines and regulations: whether fines may escalate or be forgiven, details on new health safety regulations for dining in. Business owners need access to this information in order to make best decisions on how and when to reopen their businesses.

In order to survive, Chinatown small businesses need stability. Threats to their survival have surged not only in the wake of this pandemic, but also in the shadow of plans for large developments in the neighborhood, such as the Borough-based mega-jail and the Two Bridges high-rises. **Protecting our immigrant-owned businesses at this critical time is essential to keeping New York's cultural vibrancy strong.** After all, immigrant neighborhoods like Chinatown makes NYC the city that it is.

Thank you for the opportunity to testify and relay the concerns I have for my neighborhood.

Julie Chen



TESTIMONY OF THE VOLUNTEERS OF LEGAL SERVICE
MICROENTERPRISE PROJECT
INT. NO. 1912

May 1, 2020

Dear Chair Cohen & Members of the Committee on Consumer Affairs & Business Licensing:

We, the Microenterprise Project Team at Volunteers of Legal Service, write to provide testimony in support of one bill currently pending before the Committee on Consumer Affairs & Business Licensing: Int. No. 1912. This testimony is in addition to the testimony submitted to the Committee on behalf of the members of the United for Small Business NYC (“USBnyc”) coalition, which we join in full and incorporate by reference herein.

Volunteers of Legal Service (“VOLS”) was established in 1984 to fill a void in legal services left by severe federal budgetary cuts. We serve and assist the most vulnerable members of the community with some of the most pressing legal issues in multiple facets of their lives. In particular, the VOLS Microenterprise Project provides a wide range of legal services—entity formation, commercial lease negotiation, and intellectual property protection, to name a few—to New York City’s small businesses. Since its inception, the Microenterprise Project has worked tirelessly to ensure that the needs of New York City’s small businesses are met through advocacy, community outreach, and direct representation. The majority of our clients are low-income women, immigrants, or people of color. Now, more than ever, small businesses require immediate relief to help them respond to and survive the devastating impact of the COVID-19 pandemic.

As you are aware, the COVID-19 pandemic has created myriad challenges for New York City’s small businesses, which threaten their very existence. That brick-and-mortar convenience store on the corner of your block, that immigrant-owned bakery you frequent on your way to work, and many of the small businesses that contribute to the uniqueness and diversity that define the City of New York, may not be there once the pandemic has subsided. Indeed, closure of all non-essential businesses has provoked substantial decreases in revenue, leaving small businesses unable to meet financial obligations and pushing them to the brink of permanent closure. Moreover, the devastating financial impact of the COVID-19 pandemic threatens to place small business owners, many of whom have personally guaranteed the debts and obligations of their businesses, on the verge of bankruptcy. To ensure our clients, the most vulnerable small businesses in the City, do not succumb to the financial distress caused by this pandemic, they **need substantial government action in the form of rent relief.**

To illustrate the very real and detrimental impact of the COVID-19 pandemic on all of New York City’s small businesses, we share with you the challenges that our clients—

**small businesses operating in diverse industries across all five boroughs of New York—
have confirmed that they are currently struggling to address¹:**

- **88% of our clients reported decreases in revenue as a result of the COVID-19 pandemic;**
- **57% of our clients reported that their businesses were completely closed as a result of government orders;**
- **67% of our clients reported that they were having difficulty paying or had missed payments of employees' salaries;**
- **86% of our clients reported having difficulties meeting financial obligations;**
- **40% of our clients with commercial leases indicated that they had already missed commercial rent payments, and 89% indicated that they anticipated missing commercial rent payments in the future;**
- **90% of those who had initiated conversations with their commercial landlords about the possibility of receiving a rent abatement, deferment, or cancellation for the period of the pandemic were either still negotiating, received no response, or received a negative response;**
- **33% of our clients with outstanding loans indicated that they had already missed commercial loan payments, and 90% indicated that they anticipated missing commercial loan payments in the future.**

These staggering numbers, which reflect the challenges faced by all of New York City's small businesses, showcase just how dire the need is for small business relief. It is beyond dispute that small businesses are the backbone of the American economy, and yet, existing relief does not go far enough to save New York City small businesses from the detrimental effects of the COVID-19 pandemic. This is unquestionably insufficient, particularly in light of the fact that small businesses generate billions of dollars in sales and payroll taxes for the City of New York. As such, we support Int. No. 1912, and encourage the Council to adopt this measure as part of its efforts to provide New York City small businesses with the relief they need and deserve.

We applaud the Council's efforts to expand the current eviction moratorium to protect commercial tenants from the threat of eviction by overzealous landlords who fail to be moved by the devastating impact that the COVID-19 pandemic has had on small businesses. Int. No. 1912 properly recognizes that commercial tenants are struggling to meet commercial rent payments as a result of the substantial decrease in revenue prompted by the widespread closure of non-essential businesses. Moreover, Int. No. 1912 provides some much-needed protection for small businesses that might otherwise be displaced by their landlords in the midst of a public health crisis. Nevertheless, Int. No. 1912 does not go far enough in protecting New York City's small businesses, nor does it sufficiently reflect the challenges that small businesses and their owners will face in the aftermath of the pandemic.

In addition to the concerns raised by the United for Small Business NYC coalition, we wish to emphasize the need for additional legislation to protect tenants once the eviction

¹ This data was obtained from a VOLS survey of 51 small businesses located throughout New York City in April of 2020.

moratorium ends. It is unreasonable to assume that once the moratorium is lifted commercial tenants will be able to afford the outstanding rent amassed during the moratorium period. Moreover, the Council cannot assume that landlords will be flexible in negotiating abatements, deferments, or forgiveness of rent. With all of the other issues that small businesses will be facing in the aftermath of the pandemic—decreased revenue as a result of an economic recession, the commencement of loan payment obligations, and costs associated with reopening and rehiring, to name a few—small businesses should not have to worry about satisfying outstanding rent payments for periods during which they were unable to access their commercial property by order of the government. Nor should this Council hesitate to provide rent relief to commercial tenants who have been barred from the benefit of their lease bargains by executive order. Rent relief is necessary to ensure that the extension of the eviction moratorium is not in vain and to further ensure that small businesses survive beyond the pandemic and its aftermath.

In addition to small business owners served by our Microenterprise Project, VOLS has many other clients who are at risk of eviction in the wake of this pandemic. Our Children's Project, Elderly Project, Immigration Project, Unemployed Workers Project, and our Veterans Initiative all serve vulnerable low-income clients who need the protections contained in this measure to ensure that they do not find themselves homeless as a result of this crisis.

We applaud the Council's efforts to protect New York City's small businesses, and we ask that the Council go one step further in so doing by providing our small businesses with much-needed rent relief. If Int. No. 1912 is not enacted and rent relief is not provided, we have no doubt that many of New York City's small businesses will face permanent closure, and many small business owners will be pushed into bankruptcy and with potentially lifelong personal financial ramifications. This is an outcome that neither we—the People of the City of New York—nor the New York City Council should allow.

We call upon the City Council to do all that is necessary to **save our small businesses**, including by enacting Int. No. 1912, as well as rent relief legislation for the period of the COVID-19 pandemic. We look forward to the Council's swift action in adopting measures to protect New York City's small businesses from the devastating effects of the COVID-19 pandemic.

Respectfully,

Arthur Kats, Esq.

Director, Microenterprise Project

T: (347)521-5721

E: AKats@volsprobono.org



TESTIMONY OF THE VOLUNTEERS OF LEGAL SERVICE
MICROENTERPRISE PROJECT
INT. NOS. 1914 & 1932

May 1, 2020

Dear Chair Gjonaj & Members of the Committee on Small Business:

We, the Microenterprise Project Team at Volunteers of Legal Service, write to provide testimony in support of two bills currently pending before the Committee on Small Business: Int. Nos. 1914 and 1932. This testimony is in addition to the testimony submitted to the Committee on behalf of the members of the United for Small Business NYC (“USBnyc”) coalition, which we join in full and incorporate by reference herein.

Volunteers of Legal Service (“VOLS”) was established in 1984 to fill a void in legal services left by severe federal budgetary cuts. We serve and assist the most vulnerable members of the community with some of the most pressing legal issues in multiple facets of their lives. In particular, the VOLS Microenterprise Project provides a wide range of legal services—entity formation, commercial lease negotiation, and intellectual property protection, to name a few—to New York City’s small businesses. Since its inception, the Microenterprise Project has worked tirelessly to ensure that the needs of New York City’s small businesses are met through advocacy, community outreach, and direct representation. The majority of our clients are low-income women, immigrants, or people of color. Now, more than ever, small businesses require immediate relief to help them respond to and survive the devastating impact of the COVID-19 pandemic.

As you are aware, the COVID-19 pandemic has created myriad challenges for New York City’s small businesses, which threaten their very existence. That brick-and-mortar convenience store on the corner of your block, that immigrant-owned bakery you frequent on your way to work, and many of the small businesses that contribute to the uniqueness and diversity that define the City of New York, may not be there once the pandemic has subsided. Indeed, closure of all non-essential businesses has provoked substantial decreases in revenue, leaving small businesses unable to meet financial obligations and pushing them to the brink of permanent closure. Moreover, the devastating financial impact of the COVID-19 pandemic threatens to place small business owners, many of whom have personally guaranteed the debts and obligations of their businesses, on the verge of bankruptcy and lifelong financial setback. To ensure our clients, the most vulnerable small businesses in the City, do not succumb to the financial distress caused by this pandemic, they **need substantial government action in the form of rent relief.**

To illustrate the very real and detrimental impact of the COVID-19 pandemic on all of New York City’s small businesses, we share with you the challenges that our clients—

small businesses operating in diverse industries across all five boroughs of New York—have confirmed that they are currently struggling to address¹:

- **88% of our clients reported decreases in revenue as a result of the COVID-19 pandemic;**
- **57% of our clients reported that their businesses were completely closed as a result of government orders;**
- **67% of our clients reported that they were having difficulty paying or had missed payments of employees' salaries;**
- **86% of our clients reported having difficulties meeting financial obligations;**
- **40% of our clients with commercial leases indicated that they had already missed commercial rent payments, and 89% indicated that they anticipated missing commercial rent payments in the future;**
- **90% of those who had initiated conversations with their commercial landlords about the possibility of receiving a rent abatement, deferment, or cancellation for the period of the pandemic were either still negotiating, received no response, or received a negative response;**
- **33% of our clients with outstanding loans indicated that they had already missed commercial loan payments, and 90% indicated that they anticipated missing commercial loan payments in the future.**

These staggering numbers reflect the challenges faced by all of New York City's small businesses and demonstrate just how dire the need is for small business relief. It is beyond dispute that small businesses are the backbone of the American economy, and yet, existing relief does not go nearly far enough to save New York City small businesses from the detrimental effects of the COVID-19 pandemic. As Chair Gjonaj observed at the hearing for Int. Nos. 1914 and 1932, on April 29, 2020, New York City has spent substantially more on its parades than its small businesses. This is unquestionably insufficient, particularly in light of the fact that small businesses generate billions of dollars in sales and payroll taxes for the City of New York. We support Int. Nos. 1914 and 1932, and encourage the Council to adopt these measures as part of its efforts to provide New York City small businesses with the relief they need and deserve.

Although Int. Nos. 1914 and 1932 represent a step in the right direction, we share the concerns articulated by the USBnyc coalition. Small businesses are often subjected to commercial tenant harassment and while broadening the definition of harassment to include tenants impacted by the COVID-19 pandemic is helpful, it is not enough to protect our clients from unreasonable landlords, as the burden falls on victims of harassment to file a lawsuit on their own to seek enforcement of the harassment law. Moreover, because small business owners often personally guarantee the commercial rent obligations of the business, it is necessary to render these agreements unenforceable as to defaults occurring during the period of the COVID-19 pandemic. But the proposed legislation language must ensure the following amendments prior to enactment in order to meet its purpose and avoid unintended consequences:

¹ Data obtained from a VOLS survey of 51 small businesses located throughout New York City in April 2020.

1. With respect to Int. No. 1932, the “COVID-19 period” is too short to provide small businesses with the meaningful support that they need and deserve;
2. With respect to Int. No. 1932, the definition of “personal liability provision” is ambiguous, under-inclusive, and could lead to unnecessary litigation producing unforeseeable and unintended results. These obligations most often occur within personal guarantees, a separate contract from the lease or rental agreement; and
3. With respect to both Int. Nos. 1914 and 1932, neither bill provides for much-needed rent forgiveness to offset the revenue decreases associated with the widespread closure of non-essential businesses while rental and other obligations continue.

These and other issues identified in USBnyc’s testimony must be addressed prior to the enactment of the legislation in order to ensure that New York City small businesses are given the relief and protection that they so desperately need and deserve. If the legislation is not enacted and these issues are not addressed, we have no doubt that many of New York City’s small businesses will face permanent closure, and many small business owners will be pushed into bankruptcy. This is an outcome that neither we—the People of the City of New York—nor the New York City Council should allow.

We call upon the City Council to do all that is necessary to **save our small businesses**, including by enacting Int. Nos. 1914 and 1932, as well as rent relief legislation for the period of the COVID-19 pandemic. The Council has the authority to do so under Article IX of the New York State Constitution and the New York Municipal Home Rule Law.² Moreover, with respect to Int. No. 1932 and any proposed legislation regarding rent relief, the Council may, within the bounds of both the United States Constitution and the New York State Constitution, regulate the payment of commercial rent in response to the existing public health crisis.³ We look forward to the Council’s swift action in adopting measures to protect New York City’s small businesses from the devastating effects of the COVID-19 pandemic.

Respectfully,

Arthur Kats, Esq.
Director, Microenterprise Project
T: (347)521-5721
E: AKats@volsprobono.org

² See N.Y. CONST. art. IX; N.Y. MUN. HOME RULE L. § 10 *et seq.*

³ In *Twentieth Century Associates v. Waldman*, the Court of Appeals of New York sustained a New York state law retroactively limiting commercial rent in response to the declared public emergency resulting from World War II and rejected challenges to the law based on Article I § 10 of the U.S. Constitution and the Fourteenth Amendment. 294 N.Y. 571, 582 (1945). The Court held that “[t]he principle is firmly established today that all contracts are subject to the police power of the State, and, when emergency arises and the public welfare requires modification of private contractual obligations in the public interest, the question is not whether ‘legislative action affects contracts incidentally, or directly or indirectly, but whether the legislation is addressed to a legitimate end and the measures taken are reasonable and appropriate to that end.’” *Id.* at 580.



**TESTIMONY BEFORE THE NEW YORK CITY COUNCIL
COMMITTEE ON SMALL BUSINESS
COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING
APRIL 29, 2020**

Chairs Gjonaj and Cohen, Committee Members, thank you for inviting me to testify today. My name is Max Rettig and I am the Global Head of Public Policy at DoorDash, which also includes the Caviar brand.

I hope my testimony today sheds light on who DoorDash is, how we operate, and the services we make available to New Yorkers.

Our CEO and co-founder, Tony Xu, has seen first-hand the challenges restaurants face, having grown up working alongside his mom washing dishes in a Chinese restaurant. That experience led him to start this company with the mission of helping small businesses and offering flexible work opportunities with strong earnings to those who need it.

Our operations and approach are unique: While technology and marketing to help restaurants reach new customers is an important component of the services we offer, the core of our platform is logistics: connecting customers, restaurants, and couriers through our website and mobile application. Our platform enables restaurants to reach customers online and offer delivery, something most of our restaurant partners had never been able to do before.

I want to recognize that this hearing is occurring during a time of acute stress for all New Yorkers, and at DoorDash we know that we have a special responsibility to our community of customers, Dashers, and restaurants -- as well as to the cities and towns in which we operate.

I'd like to highlight a few of the steps we've taken.

To help restaurants, whose worlds have been turned upside down as their dining rooms have closed, we have sought to provide support through a combination of commission relief and programs designed to increase order volume.

At the start of this crisis, we:

- Eliminated commissions on pickup orders through the end of May;
- Eliminated commissions for restaurants that are new to DoorDash or Caviar for 30 days;
- Instituted \$0 delivery for customers on Saturdays to help restaurants attract new customers and keep delivery affordable.

In early April, we went a step further, reducing commissions by 50% for local mom and pop restaurants (those with 5 or fewer locations) through the end of May, a savings for roughly 1,000 restaurants in New York City.

We've also sought to support couriers, both on and off the road, as they work to support their community. For example, we have:

- Gone to no-contact deliveries by default to minimize the risk of transmission;
- Provided gloves, hand sanitizer, wipes, and masks free of charge;
- Provided two weeks of earnings to Dashers affected by COVID-19; and
- Provided access to telemedicine so all U.S. Dashers can get a COVID-19 risk assessment and virtual urgent care for just \$4.
- Lastly, Dashers in New York City are earning at or around \$30 per active hour, including tips.

We've also partnered with City agencies to power delivery of school lunches to public school students and groceries to homebound seniors. We also partnered with Mt. Sinai to donate free meals and free DashPass delivery subscription memberships to 42,000 healthcare employees.

For our platform to work, it has to work for restaurants, Dashers, and consumers, and we welcome the opportunity for constructive dialogue on how to achieve that balance. At the same time, we have grave concerns about how the proposals under consideration today would impact New York consumers, Dashers, and even the very restaurants that some of these proposals aim to help.

For example, because of the real-world costs associated with delivery, if arbitrary commission caps are imposed, consumer prices will increase, leading to less revenue for restaurants and lower earnings for Dashers. People from all income brackets order on DoorDash, and this crisis has demonstrated that our services are more than just a convenience, but a necessity. We've also heard from Dashers who are concerned that these proposals could impact their ability to earn money at a time when this work is more important than ever.

Commissions help pay for a wide range of service expenses. DoorDash and our partner restaurants agree to the menu of services and associated costs before we begin working together. These costs may include:

- Pay for delivery drivers, who are currently earning as much as \$30 per active hour in New York City, including tips;
- Background checks for couriers and other safety measures;
- Insurance costs, including occupational accident insurance to cover on-the-job injuries, auto liability insurance, and commercial liability insurance;
- Credit card processing fees for each order, which can be as high as 3-4% of the order subtotal;
- Advertising and marketing costs to help restaurants reach new customers;
- Thousands of customer support agents to respond to requests from customers, delivery drivers, and restaurants;
- The cost of building and maintaining the website and mobile applications used to place the order; AND
- The COVID-19 relief efforts outlined above.

Similarly, we value transparency -- when consumers check out, they should and do know exactly how much they'll pay; when restaurants sign up to offer delivery through our platform, they

should and do know exactly how much they'll pay; and Dashers should and do know how much they'll earn for each delivery in advance. But proposals that would effectively require competitors to disclose the commercial terms of their relationships with restaurants are not only legally questionable, but unprecedented and ultimately harmful to competition.

Thank you for your time today. We look forward to working with you to help New York's restaurants until the day they're able to open their doors, and on the long path to recovery.



COMMISSIONS: SUPPORTING BUSINESSES AND ENSURING SAFE DELIVERIES

What are commissions used for? Commissions help pay for a wide range of costs that restaurants would have to pay directly if they chose to provide their own delivery.

These costs include:

- All costs associated with not just connecting restaurants and customers but also fulfilling the delivery (this is unlike other services that essentially advertise, but do not handle any logistics of delivering the food)
- Pay for couriers, who are earning on average \$30 per hour including tips in NYC
- Safety measures, including backgrounds checks for every courier
- Health protections, including safety gear for couriers
- Insurance costs, including occupational accident insurance to cover on-the-job injuries, auto liability insurance, and commercial liability insurance
- Advertising and marketing costs to help reach new customers
- Thousands of customer support agents to respond to requests from customers, couriers, and restaurants

CAPPING COMMISSIONS: HURTING CONSUMERS, COURIERS, AND LOCAL BUSINESSES

Lower Earnings and Fewer Work Opportunities

- At a time when so many New Yorkers are looking for work, capping commissions would make it harder to find one of the few types of work that is available right now. By increasing costs for consumers, commission caps would result in fewer orders and lower courier earnings. That means workers would earn less money for each delivery and will have fewer earning opportunities overall.

Less Business and Fewer Choices for Merchants

- All restaurants choose whether and how to offer delivery for customers. Restaurants that offer delivery through a third party often opt for a higher commission to lower what customers have to pay, because they know that more orders bring in more money to help them run their business. These one-size-fits-all proposals would result in fewer orders and less choice for restaurants. They might work for some restaurants with high prices but not for mom-and-pops that would be cut off from the economic lifeline of delivery.

Higher Costs for Consumers

- If government-mandated commission caps are imposed on restaurants, customers would have to pay more at a time when more and more people not only depend on delivery but are struggling to make ends meet. This would especially hurt working-class communities.

Budgets Busted, Much-Needed Local Tax Revenue Lost

- Restaurants are an economic engine throughout the city, generating millions of dollars in tax revenue to help support basic services in our communities. If fewer New Yorkers order food and couriers earn less money, New York City will collect less tax revenue at a time when the economic consequences of COVID-19 have already decimated the City's budget and created a significant shortfall.

DoorDash Response to COVID-19

DoorDash has supported Dashers on and off the road with free personal protective equipment, financial assistance, telemedicine, and higher earnings.



Personal Protective Equipment: To help Dashers protect themselves while they're on the road, we've provided free hand sanitizer, wipes, gloves, and consumer-grade masks.



No-Contact Deliveries: To minimize contact between Dashers and consumers, all customer orders are now marked "leave at the door" or "no-contact" by default.



Telemedicine: Through one of the nation's leading healthcare platforms, all U.S.-based Dashers can complete an online risk assessment for COVID-19 and access discounted virtual urgent care visits if needed (as low as \$4).



Two-Weeks of Financial Assistance: Two weeks of earnings are available for eligible Dashers who have tested positive for COVID-19, who are at high risk (such as those who are immunocompromised), or who live with a house-mate who is high risk.

\$22+

Higher Earnings, and More Earning Opportunities: Dashers are earning more than \$22 per active hour nationally on average, roughly \$5 more than they were earning at this time last year. People who have lost work are able to find meaningful earning opportunities.

DoorDash is providing \$100 million in commission relief and marketing programs to help restaurants replace lost revenue and remain [#OpenForDelivery](#).

1/2

We've cut commissions in half for local restaurants and invested in marketing initiatives:

From April 13-May 31, 150,000+ restaurants across the nation with 5 or fewer locations will pay 50% of their commission rate. Paired with \$0 delivery for customers on Saturdays and \$200 marketing credits, this is an investment of more than \$100 million.

0%

Restaurants new to DoorDash pay nothing: As restaurants have closed their dining rooms, thousands have come to DoorDash for the first time. They can use our services for free for their first 30 days through May. These restaurants are also featured on our platform.

0%

Restaurants pay nothing for pickup orders: We eliminated commissions through May for pickup orders, which have increased significantly since this crisis emerged.

Free

Restaurants pay nothing to reach more customers and receive lower commission rates: We've added more than 100,000 independent restaurant partners to DashPass—our subscription program which offers \$0 delivery for consumers—for free to help them generate higher sales. We also reduced commissions for those merchants already on DashPass.

1

Restaurants can now receive payment the next day: We built a new product to enable restaurants to receive payment next day, helping alleviate cash-flow challenges.



PROJECT DASH

Background

- Project DASH (**DoorDash Acts for Sustainability and Hunger**) was launched in 2018 to leverage DoorDash's logistics expertise to tackle hunger and food waste. Couriers (known as "Dashers") deliver food and other critical goods to communities in need.
- Over the past two years, this program has supported a portfolio of national, regional, and local food recovery organizations through DoorDash Drive, the company's sophisticated fulfillment platform allowing any business or organization to request a Dasher for a delivery task from point A to B.

COVID-19 Response

- As part of DoorDash's COVID-19 response, new partnerships with local governments and nonprofits across the country will enable deliveries of vital food and supplies from distribution hubs to those communities' most vulnerable members, including students and seniors.
- DoorDash is working with governments to unlock efficiencies by using its technology to maximize the reach of social services and ensuring continuity of support for those in need.

SELECTED CURRENT PARTNERSHIPS

New York City

- Working with the Department of Education, DoorDash will ensure 1,000 high-need children throughout New York City will receive the school-provided daily hot breakfast and lunch they rely on.
- This week, DoorDash will launch a program with the Department for the Aging, which provides food to 30,000 now-isolated seniors from 250 senior centers across all five boroughs.

*"... a special initiative to get food to the homes of medically fragile students... **And we're working with DoorDash, and we want to thank them for their help in making this possible.**"*

– NYC Mayor Bill de Blasio

Across the United States

- This week, DoorDash will launch its partnership with the County of Santa Clara, CA, which estimates their need at 3 meals per day for between 40,000 and 100,000 people.
- DoorDash's national partnership with United Way has the potential to touch >95% of Americans through United Way's extensive local network. Cities launching before the end of March include Akron, OH, Broward County, FL, New Orleans, LA, and Ventura, CA. Additional cities to be launched in the weeks following.

SCALING UP

- DoorDash expects to reach tens of thousands of individuals and families weekly by the end of March, increasing to hundreds of thousands by mid-April. Outreach to community organizations, elected officials, and offices of emergency management in all 50 states is underway. Based on early conversations, the estimated need nationwide could reach **5 million deliveries weekly**.
- DoorDash has the operational ability -- and social sector partnerships -- to scale rapidly to meet this immense need for last-mile logistics in communities across the United States.
- DoorDash is dedicating its deep experience and expertise to this mission — donating services at cost, and committing a large team focused entirely on this initiative. Through DoorDash Drive, new technology can make deliveries more efficient for recipients, better for Dashers, and in partnership with local communities.
- We stand ready to work with you on behalf of your communities. Get in touch by completing [this brief form](#).

TESTIMONY

Preliminary Budget Hearing:

“New York City’s Worker Cooperative Business Development Initiative:
Worker Cooperatives - An Essential Model for Business Sustainability and Recovery

Presented to

New York City Council, Committee on Small Business

Hon. Mark Gjonaj, Chair

Wednesday, April 29, 2020

Prepared By:

Sade Swift, Founder, and Worker-Owner

Cards by De and Rebellious Root

NYCNOWC Advocacy Council Member

Cards by De

1231 Lafayette Ave Unit 2

Bronx NY 10451

cardsbyde@gmail.com

cardsbyde.com

Rebellious Root

Brooklyn, NY

Rebelliousroot@gmail.com

RebelliousRoot.com

Good afternoon

My name is Sade Swift and I am a worker owner based in the Bronx at Cards by De and Rebellious Root and a member of the New York City Network of Worker Cooperatives (NYCNOWC) Advocacy Council. In all of these spaces, I have the opportunity to dream about and practice what a different world looks like and support my community in dreaming about that too.

I began my journey as a cooperator, at the Green Worker Cooperatives Co-op Academy back in Fall 2018 and truly fell in love with the concept of a solidarity economy and when accomplished at scale, what that would mean for communities across the world. Through the academy, I learned about the seven guiding principles of being a cooperative and two that have stuck with me and that ground me daily are Cooperation among Cooperatives and Concern for Community.

Since COVID began, I have found myself seeking ways to support my community and having heightened concern for the most vulnerable cooperators, who are undocumented, uninsured, Spanish speakers, chronically ill, etc.. Considering that so many of these solutions by our federal government exclude entire communities of people, like PPP asking for information that co-ops do not have because we are not employers, or giving loans that we will not be able to pay back, instead of grants, co-ops only have one place to turn, and that is to the organizations that built us and that support our growth.

Organizations like NYCNOWC, Take Root Justice, Green Worker Cooperatives, and countless others within the WCBDI initiative who have helped me, are truly guiding co-ops especially those who have vulnerable workers, to a place where they feel seen and heard.

We should not have to jump through hoops and break barriers to get the resources we deserve from our city. For example. The MWBE certifications being an impossible application to complete and this possibly being a way to rebuild our cooperative after losing most of our revenue for 2020 in just 40 days and wanting to develop a robust clientele but not having any support to do it.

As a queer black immunocompromised chronically ill cooperator, who is currently financially supporting two households, for a total of 6 people, I know that I deserve more from our city. My community deserves more.

I know that so many of my fellow cooperators are also supporting multiple households and are counting on their cooperatives to survive this. Cooperatives are the future of our

economy and without your help, they will be erased in a time when our society needs hope, assurance and a place to turn.

As a cooperative community, we want canceled rent, to ensure that ALL New Yorkers receive aid, that a NYC Immigrant Small Business Grant is created, and that Supplemental Relief for Low-Income New Yorkers is provided.

I hope that today and moving forward you continue to fund the WCBDI initiative and all the other essential programs that guide my cooperatives' work. That you consider sharing your check with the most vulnerable communities of New York City. That when you make decisions, you remember all the cooperatives, black, brown, indigenous, LGBTQIA+, chronically ill, immunocompromised, differently-abled, undocumented, poor, working-class, homeless, and the other countless vulnerable communities that are counting on you to guide us toward the future. The only way to create a new and better system is together, with those most impacted at the front.

Thank you for listening and for your consideration.



917.946.2991

TESTIMONY

Preliminary Budget Hearing:

“New York City’s Worker Cooperative Business Development Initiative:
Worker Cooperatives - An Essential Model for Business Sustainability and Recovery

Presented to

New York City Council, Committee on Small Business
Hon. Mark Gjonaj, Chair
Wednesday, April 29, 2020

Prepared By:

Carlos Martinez, Founder, and Worker-Owner
Sunset Scholars

Sunset Scholars

204 25th Street

Brooklyn, NY 11232

917-946-2991

sunsetparktutoringcooperative@gmail.com

<https://sunset scholars.wixsite.com/sunsetscholarsllc>

Good afternoon, Chairperson Mark Gjonaj, and distinguished members of the Committee on Small Business of the New York City Council. My name is Carlos Martínez. I am a member of Sunset Scholars LLC and Alianza CUSP Inc. (Cooperatives United for Sunset Park).

I am here today to share the experiences of my peers from the Worker Cooperative Business Development Initiative (WCBDI) because we believe that cooperatives are essential for supporting our communities and they should be supported especially in times of crisis and recovery.

Living and working as a young student in Sunset Park, I faced many obstacles to achieve higher education and obtain work opportunities. Many of my first few jobs before I formed my coop, were at restaurants where I earned only \$6-\$7/hour working long hours and under exploiting work conditions. Being a founder and member of my cooperative, Sunset Scholars LLC has provided me with many opportunities to have a flexible work schedule, earn money for school, and give back to my community.

Since our launch in 2015 with the support of Center for Family Life, we've helped over 100 families in all academic areas. I am also a Board member of Alianza CUSP, Inc., a local non-profit made up of worker cooperatives advocating for immigrant workers' rights, developing social leadership in the worker-owned business community, and providing direct services to startup cooperative businesses.

My cooperative has taken a big hit because of the shutdown of schools. This crisis hit with short notice and so we were not prepared to provide online services to the community. Our work has been put completely on pause, including an exciting scholarship program we were launching to benefit low income families. The crisis has also taken a big toll on the other cooperatives in CUSP which work in industries such as cleaning, child care, dog walking and other important services. These coops are made up of majority low-income, immigrants and women. [REDACTED] [REDACTED] Contracts that were about to happen are now on pause and there is no money coming in.

[REDACTED] as cooperatives, we work to support each other and continue to meet virtually. Working with CFL, we have been trying to share as many resources as possible with the members, ensuring that members know where to go for help, food, and other resources. One cooperative received a grant from NDWA and used it to support its members and their families.

There is a huge need for financial support at this time. Many are immigrant workers and not all can qualify for stimulus checks or have access to funds. Not one of the cooperatives of CUSP was able to access the federal aid for small businesses.

I would like to ask the City Council to continue providing economic support and language specific technical assistance to cooperative members. I believe in the impact of cooperative businesses to invest in individuals, families, and neighborhoods, creating a more prosperous and fair New York City in times both good and bad.

Subject: Essential workers

Mr. Johnson.

I'm a big fan of yours. I hope you'll run for Mayor, someday. My family has owned Mitchell's Newspaper Delivery Service, since 1946. This pandemic is the most frightening thing we've ever lived through. We're proud that, after almost 75 years, we're still able to provide newspaper delivery for our mostly older, certainly vulnerable, high risk, New Yorkers. We like to think of ourselves as defenders of the First Amendment. This wouldn't be possible without our heroic, front line delivery people. We are honored to work with them.

That being said, we are in a diminishing business. The digital world is slowly and steadily replacing us. Our margins are low. There is a bill before the NYC Council calling for additional compensation for essential workers. Whereas we are amazed by them, everyday, this bill would shut us down. Isolating senior citizens would no longer be able to receive the newspaper they rely on.

We haven't laid anyone off. We continue to operate 365 days/year. Please help us defeat this bill.

Stay safe.

Mitchell Newman
<menewman@mitchellsNY.com>

📍 Testimony for Intro Bill: 1898 Prohibit Erroneous Telephone Order Fees. 📍

I would like to submit my written testimony for 'Prohibit Erroneous Telephone Order Fees.'

My name is Andrew Ding, I live in upper Manhattan and I'm the owner of a 10 month old neighborhood bar called 'The Expat' located at 64 Tiemann Place just a block south of the 125th Street 1 Train stop. Prior to the shutdown mandate we were predominantly a dine in business with delivery accounting for only 3% of total sales. Once the shutdown was announced we were forced to furlough 9 front of house staff and scrambled to move our entire menu online in an attempt to keep our kitchen in operation and save the jobs of as many of our kitchen crew as possible. Currently we are just managing to cover operational expenses.

On the evening of Tuesday April 21st whilst looking up order details for a customer I stumbled on a line item in my transaction history entitled 'Phone Order'. Clicking on this item expanded a pop up window containing an audio clip play button along with details of a \$7.09 commission charge for this call. Upon listening to this clip I discovered that it was simply a recording of my store phone ringing 7 times and then going to voicemail. This caused an immediate feeling of alarm in me which prompted me to conduct a thorough audit. What I discovered was between 01/01/2020 and 04/21/20, Grubhub charged me \$385 for 55 phone orders however after listening to all 55 phone orders I found that shockingly, only 3 were actual orders, whilst the remaining 52 were a combination of recordings of my phone ringing followed by our voicemail, customers calling to ask various questions about our hours, menu items and delivery radius but most concerning was that 10 of those calls were from customers who had initiated an online order already but called in to ask whether it had been received, dispatched or to report that we missed an item resulting in two commissions being charged for those orders.

Three correct charges out of a total of 55 means that the margin or error is 95%. Grubhub created and implemented a statistical model so flawed that it was only correct 5% of the time. This is either gross criminal negligence or an intentionally designed predatory and exploitative business device both of which are harming arguably the most vulnerable class of small businesses here in NY and across the country.

What's more, they have also cunningly designed a review workflow process that makes listening to these transcripts only possible by logging on to a desktop or laptop computer. The play buttons don't work from smartphones in any browser

app. These are all strategically manufactured and designed road blocks placed at every step of the way to minimize the probability that a busy restaurant owner will have the time to catch wrong charges and then follow through to contest those charges.

As if all this wasn't enough to paint a damning picture of how unscrupulous this company is, they raised the fees for each phone charge from \$6+ in March to \$7+ in April. Meanwhile they are aggressively advertising a narrative of how much they are doing to help restaurants to their customer base and to the public.

I have carefully downloaded and labeled each of these recordings and placed them in categorized folders on a google drive available to anyone wishing to review them. Please let me know if you'd like the link (I can also send the link in a chat window on zoom?)

Grubhub claims to have 350,000 restaurants on their platform which means if even half of those so called 'partners' had a comparable \$385 siphoned in the last two month during this shutdown then we're potentially talking about over 65 million dollars in ill-gotten fees.

That's all I have right now.

How should I close out my statement?

Thanks Greg,

Andrew

The Expat

contact@theexpat.nyc

please help the artists of Soho...

Dear Council Speaker Johnson,

The New York City Council is currently considering a new local law that will declare a moratorium on evictions until April 2021, a move instigated by the pandemic. This is on top of building owners unable to collect rent while businesses are closed.

While this new law addresses a problem that is real and for which it represents a humanitarian solution it will also set into motion a humanitarian disaster for building owners who will be financially ruined by not being able to pay their real estate taxes if a commercial tenant is paying no rent and no tax relief for the building owners is forthcoming.

Building owners pay dizzying real estate taxes yet our ground floor commercial tenants are not paying rent and may well continue to not pay rent while never intending to reopen if such a moratorium on eviction until well into 2021 is passed into law. For example: many co-ops (and certainly ours) in Soho rely on our ground floor tenant's rent to pay our taxes. We are tenants in just such a building and rely upon the retail tenant to help defray our expenses. WE are artist and are unable to pay the exorbitant taxes that our beloved Soho now requires...we have been here since 1970... The tenants in our 9 residential units cannot begin to cover the staggering real estate taxes with no rental income for many months and no capacity to remove tenants who may have no intention of resuming paying rent and are potentially using the ground floor shop as free storage for a whole year under this new law.

Our commercial tenant is part of an ecosystem that includes us as well. Tenants and building owners both need relief if the humanitarian aim of this law will work.

Please review the proposed eviction law to include a tax freeze for building owners.

Sincerely,

Sarah And Paul Tschinkel

138 Prince Street 3rd floor

NY, NY 10012

(317) 681-0023

Sarah Berry Tschinkel, LCSW-R

Jungian Psychoanalyst

80 5th Avenue

Suite 1106

New York, NY 10011

(914) 456-0042

~

The Carriage House

8 Marion Ave. #6

Cold Spring, NY 10516

(914) 456-0042

Support for Bill 1932-2020 and Cap on Food Delivery Companies

Hello, I am a resident of NYC and work in the corporate office/investment arm of an NYC-based restaurant group with 20 beloved restaurants in the city, open since the 1980s. I want to write in **strong support of Bill 1932-2020 which will protect local small business owners' livelihoods from their landlords.** I also **strongly support caps on food delivery app fees.** Per the viral photo below, these apps are preying on consumers' interest in helping their local restaurants and consumers do not realize that the majority of their purchases go to these well-funded tech companies and not to the payroll of store workers, to rent, etc.

I appreciate both of your attention to these matters - legislation on behalf of local restaurant owners is critical to maintaining the fabric of our city.

Thank you,
Lauren Miller

| GRUBHUB | | |
|----------------------------------------------------|------------------------------------|--------------------------------------------------|
| Summary of March Deposits | | |
| 46 Prepaid Order | | \$1,042.63 |
| Commission | | -\$206.51 |
| Delivery Commission | | -\$94.99 |
| Processing Fee | | -\$38.52 |
| Promotions | | -\$231.00 |
| 7 Order Adjustment | | -\$131.19 |
| Commission | | \$9.75 |
| Delivery Commission | | \$4.88 |
| Processing Fee | | \$1.49 |
| Promotions | | \$20.00 |
| Pay me now fee | | -\$0.00 |
| 46 Orders in March | \$0.00 | \$376.54 |
| 42 Grubhub delivery 4 Grubhub pickup | paid directly by your customers | distributed to you from Grubhub |
| Including 4 orders from Yelp, a Grubhub partner | | Includes \$5.71 in taxes sent directly to you |

Your March Statement

<laurenmiller311@gmail.com>

Farmers Pizza and Grill and Farmers Kitchen, testimony re: Intro 1908A

Hi, my name is Amritpal Dhankia and I run Farmers Pizza & Grill and Farmers Kitchen, here in New York City. I am writing to weigh in on the 10% commission cap the City Council is considering, in the hope that you will consider a more nuanced approach. While I agree that the fees restaurants pay to third party platforms are sometimes too high, my concern is that his legislation will hurt small businesses in the long term.

By proposing a permanent 10% cap on all services, I worry that the apps who help provide delivery to us now will no longer be able to offer that service. Apps like Doordash and Uber Eats handle logistics, payments, and sourcing the actual delivery person and commissions go to cover those costs. It's unclear how companies will cover those costs with a commission cap, but it is likely that restaurants will once again be required to take on those added logistics. We'll have to hire a delivery person, increasing costs, and reducing my flexibility when I can least afford it. This would be incredibly challenging both right now and in the long term.

I would like to advocate for smart legislation that allows us to access services we need, for a fair price and also creates transparency so that there are no hidden fees. That means we shouldn't have to pay the same fees for listing and marketing as we do for the physical act of delivery.

I believe the better way to do this is to create two buckets-- one that outlines fees that can be charged for services like credit card processing, listing, marketing, etc. and one that takes into account the tangible costs of delivery. This way restaurants can take advantage of the services we actually need in a more clear and transparent way.

Sincerely,

Amritpal Dhankia
Farmers Pizza and Grill
Farmers Kitchen
adhankia@gmail.com

May 1, 2020

I urge this committee to ensure equity is at the heart of each covid-relief initiative. So far, programs have been missing the mark for small businesses in Chinatown.

This is a difficult time in all of New York City but I'd like to bring to notice the need of Chinatown community restaurants to get financial aid. The restaurants started feeling the slowing of business back in January when the Covid was first reported. Fear kept most from visiting the Chinatown community and hence the restaurants. In February, which should have been the busiest time for Chinatown because of the Lunar New Year, restaurants were at minimal capacity.

It is imperative that relief is given to the restaurant owners and their employees in order to help Chinatown stay alive.

Respectfully,

Karen Wong

kleewong@optonline.net

Bill 1932-2020

Speaker Johnson,

I am writing to you in support of Bill 1932-2020. As a minority owner in a number of restaurants I completely understand the concerns of Gabriel Stulman in reference to the Good Guy clauses in our leases. As I'm sure that you well aware of these are not normal times that we are living through and the inflexibility of landlords during this period is abhorrent.

Restaurants are the lifeblood of New York City and I hope that with your support we can continue to be just that.

Thank you and be safe

Elliot Lieberman

<elliot@blockheads.com>

Thank you for sponsoring Int. 1932-2020

Dear Mr Johnson,

Thank you for sponsoring Int. 1932-2020.

I work for a wine distributor, and I read the compelling letter wrote by Gabriel Stulman.

After 8 weeks or more of confinement, I'll be looking forward to reconnecting with the people who were part of my daily life: greeting my favorite barista for my first cup of coffee, exchanging memories of confinement with my clients, catching up with the bartender at my local spot and, finally, enjoying a post-confinement dinner with my friends at one of the restaurants we love.

The months to come will be difficult, but seeing these people will help me go through it. I cannot imagine going back to work in a city that would look like a battleground, with no familiar faces.

Thank you.

MARIE COUWEZ | NYC SALES

917.570.7116

212.967.6948

V.O.S. Selections

Wines & Spirits of Excellence

[@vosselections](#)

In Support: COVID relief package int. 1932-2020

April 30, 2020

The Honorable Corey D. Johnson Speaker, New York City Council 224 West 30th Street, Suite 1206 New York, NY 10001

Email: SpeakerJohnson@council.nyc.gov<mailto:SpeakerJohnson@council.nyc.gov> Fax: (212) 564-7347

Re: Support Int. 1932-2020 COVID-19 Relief Package – Personal Liability Provision for Leases and Commercial Tenants Impacted by COVID-19

Dear Speaker Johnson:

My name is Amanda Hodge , I write on behalf of Amanda Miller LLC and in support of the above referenced proposed legislation before the New York City Council. With the sudden outbreak of COVID-19, small businesses like my own have seen revenues dry up completely with the stroke of a pen. Despite generous federal, state and municipal relief programs, it is undisputed that many small businesses will ultimately close our doors forever once aid runs out through no fault of our own. Int. 1932-2020 provides vital protection for individual owners who have personally guaranteed retail and commercial leases that are no longer viable. Our businesses face an uncertain future, and all the while we are racking up months of arrears that we cannot possibly pay. We are all standing at the precipice. Without this bill, even if we close our businesses, our personal savings and our families are at risk because of the rights given to landlords under these personal guaranties.

I believe that Int. 1932-2020 is provides sensible relief for small business owners. New Yorkers always look out for one another and I believe almost every New Yorker right now understands how vital small business relief is for our neighborhoods and boroughs, our city, and the State of New York. With the country looking to New York City for guidance, it is emboldening to see our City leaders step up and show the rest of this country the creative ways that local government can support small businesses and the people who build these engines of our economy.

I appreciate your time and effort and strongly urge that your leadership guides our council members to support this important legislation.

Sincerely,

Amanda Hodge

<a@wigshairmakeup.com>

Cc: Carlina Rivera, Council Member, New York City Council Andrew Cuomo, New York State Governor Members, New York State Senate Carl E. Heastie, Speaker, New York State Assembly

Testimony for April 29 hearing re: COVID-19 Legislative Relief Package

Dear City Council members,

My name is Doris Huang, and I'm a small business owner in the Garment District in Manhattan. I recently opened a new food hall called The Deco Food + Drink at 231 W. 39th Street in December 2019; due to the pandemic, we had to shut down all our operations as of March 17, 2020.

I'm writing now to provide testimony in support of the COVID-19 Legislative Relief Package that was introduced at a City Council hearing this past Wednesday, April 29, 2020, particularly the measure to suspend personal liability for commercial leases like mine that have been impacted by the pandemic.

As a first-time entrepreneur, I can say that the odds have always been stacked against small business owners like me whose businesses require a brick-and-mortar lease in Manhattan, and landlords have historically had the upper hand in lease negotiations. I can guarantee that my business, along with so many other independently-owned hospitality and retail businesses in NYC, will NOT survive if we cannot completely renegotiate our leases post-COVID. If this measure were to pass, it would force many landlords to "face the music" and recognize the harsh economic reality that we small business owners are already hyper-aware of, but that many NYC landlords continue to deny, whether because they are truly bullish about economic recovery or because they refuse to accept the notion that they will have to shoulder some of the pain from this crisis and recession. Suspending our personal liability for our commercial leases will go a long way towards persuading landlords to take us small business owners seriously, rather than seeing us as merely crying wolf and asking for hand-outs. The vast majority of us WANT to revive our businesses, but it will be impossible without some bold support from our landlords and from the government.

Thank you for your consideration of this extremely important bill. I urge you to pass this bill and help save the small businesses that make up the vibrant fabric of our city.

Sincerely,

Doris

--

Doris Huang

Owner, The Deco Food + Drink

doris@thedeconewyork.com