

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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HELD AT: Remote Hearing

B E F O R E: Mark Gjonaj  
CHAIRPERSON

COUNCIL MEMBERS:  
Stephen Levin  
Perkins  
Rodrigue  
Helen Rosenthal

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

Jonnell Doris, Commissioner  
Department of Small Business Services

Tom Grech, President and CEO  
Queens Chamber of Commerce

Gale Brewer, Manhattan Borough President

Andrew Rigie, Executive Director  
New York City Hospitality Association

Kathleen Reilly, Governmental Affairs  
Coordinator  
New York State Restaurant Affairs

Vetnah Munassar, Executive Direction  
Yemen American Merchants Association  
(YAMA)

Karen Narefsky, Senior Organizer  
Equitable Economic Development  
Association for Neighborhood and Housing  
Development (ANHD)



SERGEANT-AT-ARMS: Okay. You can start your recording, Sergeants.

SERGEANT-AT-ARMS: PC is good.

SERGEANT-AT-ARMS: Thank you.

SERGEANT-AT-ARMS: Cloud recording is good.

SERGEANT-AT-ARMS: All right.

SERGEANT-AT-ARMS: Backup is good.

SERGEANT-AT-ARMS: Thank you. Lugo, you may begin.

SERGEANT-AT-ARMS: Good morning, everyone.

Welcome to today's remote New York City Council hearing on the Committee on Small Business. At this time, would all panelists please turn on your video? Once again, what all panelists please turn on your video? To minimize disruption, please place electronic devices to vibrate or silent. If you wish to submit any testimony, you may do so at [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Again, that is [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Thank you for your cooperation. Chair, we are ready to begin.

CHAIRPERSON GJONAJ: Thank you.

[gavel]

CHAIRPERSON GJONAJ: Good morning. I am Council member Mark Gjonaj, Chair of the Committee on

Small Business and I would like to welcome you to our hearing on preventing further business losses during the Covid second wave. Small businesses across the city are fighting for their survival. A recent survey by the Hospitality Alliance found that 88 percent of respondents did not pay their full October rent. And while many small businesses have been unable to pay rent, thousands of small businesses have closed in New York. According to the city Comptroller report, there was 2800 small businesses closed permanently between March 1 and July 10. Partnership in New York City predicts that as many as 1/3 of the 230,000 small businesses in New York City may never reopen. Massive declines in revenue have been a major factor in the closure of small businesses. According to the opportunity insights, during the peak of the pandemic from early April, small business revenues were down nearly 70 percent. This drop in revenue is even more extreme in the leisure and hospitality industry where revenues were down over 90 percent. As of October 31, total small business revenues were down 45 percent, paired to January 2020. In revenues and leisure and hospitality were down over 75 percent. All small

businesses have therefore begun to slowly recover, I feel like many others that have increased and Covid cases across the city will punish small businesses revenues down to where they were during the pandemic speak. Nonessential businesses in red zones, areas with high Covid infections, have closed temporarily and restaurants in these areas are limited exclusively to delivery and pickup. Many business owners have expressed the sentiment that they were starting to feel more optimistic a few weeks ago, but are now fearful as restrictions are implemented across the city. I look forward to hearing the administration's testimony today during the first period of business closures and how the city will work to prevent further steep declines in small business revenue what is the city tragically seems to be nearing a Covid second wave. As mentioned, our oversight. Today serves two main purposes. First, to conduct oversight and assess what went wrong during the city states closure of this due to the pandemic. And, second, to see what the city will be doing differently to ensure these same mistakes are not repeated. An issue many business owners have asked is the lack of proper notice for mandated

closures which forces businesses and owners of those business just to throw out already purchased inventory. Businesses in Europe have also expressed frustration that they have been told to close their restaurants and places of business at the last second as it causes them to throw thousands of dollars of inventory down the drain which is money that they do not have. While I understand that the governor had the final say in many of these decisions, I am interested to hear the administration's perspective as well as how the city has publicized an educated small business owners on changing reopening guidelines. Small business so as far fearful of further closures. The recent chamber of commerce survey found that 85 percent of small businesses had experienced closure [inaudible 00:05:14] mandated business restrictions. I look forward to hearing how the city is serving as a strong partner and a small businesses to call these fields. With that said, I would like to thank my chief of staff, Reggie Johnson, legislative aide, Austin Sacra, our senior legislative counsel, Christopher Sartori, our policy analyst, Noah Mikesler, and financial analyst, Aliyah Ali, for their hard work in preparing for this

hearing. With that being said, I would like to turn it over to the committee counsel, Christopher Sartori.

COMMITTEE COUNSEL: Thank you, Chair Gjonaj. I'm Chris Sartori, senior counsel to the Committee on Small Business and I will be moderating this hearing. Before we begin, I would like to remind everyone that you will be on mute until you are called on to testify. At which point, you will be unmuted by the host. During the hearing, I will be calling on panelists to testify. Please listen for your name to be called as I will periodically be announcing who the next panelist will be. We will be first hearing testimony from the Department of Small Business Services followed by members from-- testimony from members of the public. During the hearing, Council members would like to ask a question of the administration or of a specific panelist, please use the zoom raise hand function and I will call on you would order. For panelists, when called on to testify, please state your name and the organization you represent, if any. Today, we will be hearing from Jonnell Doris, Commissioner of the Department of Small Business Services. At this time,



I will administer the affirmation to Commissioner Doris. Commissioner, please raise your right hand. Do you affirm to tell the truth, the whole truth, and nothing but the truth in your testimony before this committee and to respond honestly to Council member questions?

COMMISSIONER DORIS: I do.

COMMITTEE COUNSEL: Thank you. And at this time, I would invite Commissioner Doris to present his testimony. Thank you.

COMMISSIONER DORIS: Thank you. Good morning, Chair Gjonaj, and members of the Committee on Small Business. My name is Jonnell Doris. As mentioned, I am the Commissioner of the New York City Department of Small Business Services. 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 state and healthy during these difficult times. New York City is doing everything we can to fight against pandemic. I want to thank our elected officials, stakeholders, and our small business community who are doing great work in combating the further spread of Covid 19. We must continue to encourage New Yorkers to wear face

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coverings, wash their hands frequently, monitor their health, and maintain social distance and comply with state and city policies. Today, SBS has connected more than 4600 businesses to more than 113 million dollars in financing, impacting 12,000 jobs since the start of the pandemic. This includes more than 47 million via the New York City Employee Retention Grant and the NYC Business Continuity Loan Fund. 22 million via technical assistance provided by our NYC Business Solution Centers. 3 million via the Contract Financing Loan Fund and more than a million in our We NYC financing products. As we help our businesses recover, we remain focused on and committed to equity. SBS has worked with the Mayor's Office of MWBE's in the Mayor's Office the Contract Services to connect MWBE's to 722 million in pandemic contracting opportunities. The Mayor also signed into law E. O. 59 that expands the pool of contracts subject to MWBE programs and creates more opportunities for MWBE's to win procurements. During the summer, a number of small businesses were impacted by looting and vandalism, primarily in the Bronx. We partner with the Mayors Fund to advance New York City and philanthropic partners to launch

the small business Emergency Grant program. The funds aim to assist small businesses with recovery from loss and physical damages caused by looting. Our outreach focuses on MWBE's and retail stores with less than 1.5 million in annual revenue. We work closely with local community organizations such as BID's, chambers of commerce, and local merchant associations to ensure that we reach businesses that were severely impacted and needed support. The program has awarded 141 grants, totaling 1.2 million. In addition, our virtual workforce one centers have assisted 58,900 job seekers, referred over 30,400 to jobs, and helped over 900 businesses. Through our reopening resources, we posted over 220 webinars featuring over 47,800 attendees. With a focus on equity of opportunity for all, 84 percent of entrepreneurs attended our webinars in a language other than English. We have also published plain language industry guides, available in several languages which are available on our website. The SBS hotline directly engages and answers small business owners' questions. To date, we have received over 45,700 calls to our reopening guid-- for reopening guidance, finance and assistance, legal

services, compliance support, and more. This pandemic has made us reimagine and reinvent the use of public space. Currently, there are more than 10,700 restaurants participating in our open restaurants program which allows qualified restaurants and bars to expand outdoor seating. Following this success, Mayor Bill de Blasio recently announced the open storefronts program which aims to help small retail businesses rebound during the challenging economic times. This initiative is anticipated to impact 40,000 establishments and 450 employees. 450,000 employees. As we approach the holiday season, this will give customers additional options to shop in person while socially distancing. To ensure that businesses participating in the open restaurants that open storefronts program understand how to comply with key city rules and avoid potential fines, we launched our virtual compliance consultations providing free virtual one-on-one consultations that aim to clarify existing regulations and help businesses understand, compliance challenges. These consultations are at no cost to the businesses. SBS outreach teams and I are on the ground every week connecting directly to

business owners. This includes our mobile unit which has provided guidance and resources on site and some of the hardest hit communities. One of our most common challenges we hear when we are in the communities are issues around commercial rent. Our commercial lease assistance program offers free legal services to commercial tenants citywide. Since the onset of Covid 19, we have increased funding for this program and this lasted several hundred businesses, primarily from marginalized communities with their lease related matters. We also partnered with city bar Justice Center via their neighborhood and entrepreneurship Law Project to connect businesses and business owners to free legal assistance and support with navigating insurance related claims, contracts, and access to the federal relief programs. SBS will continue to assist our small businesses and provide the resources they need to operate during the pandemic, but we know that the federal government must contribute in order to meet the full needs of New York City businesses. The heroes small business lifeline act currently awaiting Senate approval, would bring 370 billion dollars in relief, providing a broad mix of aid and investment for hard-hit and

underserved communities. We will continue to advocate for much-needed federal assistance for our small businesses. Small businesses will continue to face significant challenges in the coming months. SBS is committed to doing everything we can to support our small business owners and get them the resources they need. I look forward to our continued collaboration with the Council on this effort. Thank you for providing me this opportunity to update you on SBS programs and services to assist our small businesses. I'm happy to take your questions.

COMMITTEE COUNSEL: Thank you, Commissioner. Before I turn it back to Chairman Gjonaj, I just like to recognize that we been joined by Council members Perkins, Rosenthal, Rodriguez, and Levin. At this time, you will turn it back over to the Chair for questions.

CHAIRPERSON GJONAJ: Thank you. Thank you, Commissioner, for participating in today's important hearing. Thank you for the traveling the commercial corridors with me during Covid to educate, to make sure that we hand out PPE, and to hear the issues and the concerns of our small businesses. I truly believe your heart is in the right place. I

just don't believe that you have the resources to help our small businesses. For example, I am also proud of the work we've done with open storefronts and open restaurants. We visited commercial corridors and witnessed first-hand the creativity of our business owners as they redevelop business models to accommodate these challenging times. Some of those projects are very expensive to put together. My question you, Commissioner, is during a press conference on November 9th, the Mayor said that indoor dining should be reevaluated when the city reaches a two percent Covid infection rate. Does SBS currently think indoor dining should close? Is it fair that we allow these businesses to make these investments and are now telling them that they can't use the outdoor dining experiences that they have built?

COMMISSIONER DORIS: Chairman Gjonaj, thank you. As you mentioned, we continue to go and speak to businesses and I really appreciate you, from the beginning of this when I first became Commissioner, my first stop was with you out in the Bronx and you done so many of the corridor visits even in Brooklyn recently. And so I do appreciate

you taking the time to do that with us, but also your commitment to this work. I must say that, you know, look, the way that the rules and regulations have come down, as you rightfully mentioned, from the state to the city, the Mayor did mention that wants we see how things are moving forward with Covid spikes are not, or compliance with the virus regulations as it pertains to that outdoor arrangements that most of our restaurants have put up, we are committed to making sure that indoor dining, outdoor dining, although the resources that we have provided, including our open storefronts program is still accessible to our small businesses. And I think a lot of that has to do with making sure that everyone is doing what they can in our small businesses are doing that. In order to make sure that folks are, you know, washing their hands, proper hygiene, wearing face masks, doing what they need to do in order to make sure that we keep indoor dining and outdoor dining accessible for our small businesses.

CHAIRPERSON GJONAJ: Thank you, Commissioner. We know that this is devastated our small businesses. The hardest hit industry, I think



we all agree, is the hospitality industry. But you didn't answer the question do you think that [inaudible 00:18:09] should be shut down from outdoor dining? And the problem created by giving them hope where they spent thousands. And some of these establishments, tens of thousands of dollars-- money that they did not have-- to build these outdoor experiences that are now facing a potential shutdown?

COMMISSIONER DORIS: You know, I would say this, Chair Gjonaj, that we don't want any businesses to shut down. I mean, nobody is advocating for businesses to shut down. I think that is, you know, not what we are saying. I am saying that we do that for the health experts are telling us to do, we've got to follow. A lot of requirements are also coming from the state, but we are committed to helping our small businesses and we will them to stay open. I mean, that is my job to make sure that as many of our small businesses survive this crisis a couple and we will continue to do so. We understand the significant small businesses have made, particularly in our restaurant industry. This is why we are calling for additional aid from the federal government. I was out yesterday at this strand with

Congresswoman Maloney fighting, again, for the federal aid to come that is really sitting on Mitch McConnell's desk and that will provide 370 billion. The restaurant act is in there to provide the resources. So, look, we are advocating. We are pushing at every turn. We don't want any business to shut down right now. We want to get this crisis under control. We want to get the rates down so that businesses can continue to thrive and come back and get to a place where they can actually conduct business again and build their businesses up again. So, that is the goal that we have here at SBS.

CHAIRPERSON GJONAJ: Thank you for that, Commissioner, but we are not looking at federal help anytime soon and it won't come soon enough if these businesses are shut down due to a second wave. Today, there is a small business out there investing in the open streets and open restaurants, investing thousands of dollars into this outdoor experience and, in upcoming days and weeks, they could be shut down. What are we doing to inform our small businesses that they should be aware before they spend this money, before they buy their inventory, before they stock their shelves, that this holiday

season you could be shut down? What are you doing as the Commissioner of SBS to prevent them from throwing more good money that they don't have against bad money?

COMMISSIONER DORIS: Thank you for that. And I'm glad you brought up what SBS is doing as it pertains to outreach. From the beginning of the pandemic, throughout all of the phases and even now. So, I do appreciate that. Look, we been in contact with-- you know, we help manage and participate on boards of all 76 BID's which represent over 100,000 small businesses. We partner with our chambers of commerce. I see that some of our colleagues are going to be speaking here today. We get the word out through them. We get the word out through the BID's. We get the word out through the Merchants Associations. We also have conducted, as mentioned in my testimony, over 200 webinars where this particular items do, up. 47,000+ businesses have participated. That is how we get the word out. We also send out weekly communication to the small business community of over 200,000 recipients with everything that has happened in that particular time. So, all the guidance materials. If there is,

particularly, some concern about the city reaching a certain threshold-- for instance, recently, three percent -- we communicate that through our networks and through direct contact with small businesses. And, lastly, I am out there. As you know, we are using the press, using our social media, using every tool we have in our toolbox to communicate out to small business as the potential risk involved, the challenges, the compliance challenges, all of these things with the rules that are coming down either from the state or through our health professionals. And so, we will continue to do that. And also I can't, you know under state to the significance of our elected officials like yourself and your colleagues who've been there with us and, you know, spreading the word also making sure that small business as are aware of the coming regulatory changes and also the very spikes in the Covid cases and what it means to small businesses. So, we have a robust operation when it comes to outreach and some of it is in person. We have our mobile unit now. We were in Inwood just this past Friday. We are going to be in Brooklyn this weekend. We're going to-- you know, we're going to as many parts of the city as

2 possible. I was out at the Bronx not too long ago,  
3 again. Will be in Staten Island this coming weekend  
4 again to make sure that small businesses understand  
5 the reality of what I shut down might be or the  
6 challenges that-- to answer the question so the  
7 challenges that they have, you know, as it relates to  
8 this particular phase of the pandemic.

9 CHAIRPERSON GJONAJ: Commissioner, thank  
10 you. My question to you is those notices that you  
11 are sending out, those 200,000, I guess you said,  
12 emails-- is that you said?

13 COMMISSIONER DORIS: Yes. That is one  
14 form of communication. Yes.

15 CHAIRPERSON GJONAJ: Are any of those  
16 emails have a, but where, before you make this  
17 investment, you should know that Covid cases are on  
18 the rise and you may be shut down?

19 COMMISSIONER DORIS: I think we  
20 communicate to all of the businesses [inaudible  
21 00:24:44]--

22 CHAIRPERSON GJONAJ: Well, try to--  
23 200,000 emails are so are one of the forms of  
24 communication. Is there a disclosure in their  
25 advising and warning our small businesses before they

2 make this investment that they can afford, that there  
3 is the potential for a shut down?

4 COMMISSIONER DORIS: I think we-- we  
5 communicate, in essence, to the small businesses  
6 where we are as it pertains to the shut-- potential  
7 shut down. We do say that. We do communicate that.  
8 And we do all our businesses to, you know, as they  
9 make business decisions, to keep all these things in  
10 consideration. I'm not sure we use the exact words  
11 that you used, but we do communicate the essence of  
12 what you have just mentioned.

13 CHAIRPERSON GJONAJ: So, Commissioner, I  
14 know that it is painful as much for me as it is for  
15 you when we see our businesses struggle. Anyone  
16 struggle. Anyone. An individual or business. But  
17 our responsibility position and that you haven't, but  
18 I have, is to be a very strong advocate for our small  
19 businesses. The reason for this hearing is to make  
20 sure that we learn from the first Covid shutdown and  
21 to make sure that we don't repeat some of the same  
22 mistakes. We allowed businesses to be devastated and  
23 we're allowing them, again, to invest in models that,  
24 for the second phase shutdown, will not be or will  
25 produce any business whatsoever. An outdoor dining

experience or an open storefront experience means they have to be in business and picking up orders to go is not the investment that will yield-- the investment they're making is not going to get a return on that investment. You and I have a responsibility to educate these small businesses.

COMMISSIONER DORIS: Absolutely.

CHAIRPERSON GJONAJ: And we're not doing it. I know I'm out there, but you're not giving them that disclosure that, right now, there is the potential within the next few weeks, that their businesses could be shut down from an outdoor experience of dining or retail shopping. And we are not warning them. How are you going to do that in the differently which is said to make sure that it gets out to everyone?

COMMISSIONER DORIS: Yeah. Chair Gjonaj, I'm an abs-- you know we are in agreement on this. You know, what you have certainly-- I don't know if I'm being is clear, but we have said to businesses, when the rules are changed or the infection rates are going up-- the Mayor himself has said this at press conferences which he holds every day-- that there is potential for shutdown.

Unfortunately. Nothing that we want to do. When we send out those communications, they do outline, very specifically, what those requirements could be. We do say what is already known and we have to wait on the correct information also to say to business-- because we don't want to give them incorrect information. So, as information comes in from the state, from the health department, we communicate that and sometimes it is not just once a week. It is several times. Dependent on the incoming information. So, I do agree with you that we will continue to do that. We think it is vital. Folks need to know exactly what the rules are, but as we get them, we give them well. So, we can't-- I can't get about what I do not know at the time or I can't speculate because then it is even more dangerous for businesses. So, what we do say is, as those roles come out, as requirements come out, we do translate that and get that over to businesses. So do--

CHAIRPERSON GJONAJ: Commissioner--

COMMISSIONER DORIS: agree with you on that.

CHAIRPERSON GJONAJ: Thank you. Can I ask for a copy of that email blasts that you do? Can



you send that over to me now? Some staff is listening. Can you send that to [mgjonaj@council.nyc.gov](mailto:mgjonaj@council.nyc.gov)? While my other colleagues start asking questions, I want to see that. I'm going to read it. Because the last notice I received-- and I don't want to prejudge-- there was no notification in there about a potential shut down. But I'm going to give you the benefit of the doubt. I would be so grateful if anyone were to send me that notice so I can read it with some of my colleagues ask questions and then we will see how clear it is that we are educating and warning our businesses. Can you do that for me?

COMMISSIONER DORIS: Oh. Sorry. My own? So, sure. We can have someone send over our latest outreach guidance.

CHAIRPERSON GJONAJ: But my last question, before I pass it over to my colleagues, we often wait for the federal and keep implying on the federal-aid. That may come, may not come. It may come sometimes next year. We are not sure. We-- obviously, you know during the 49 million dollar grant and loan program that the city initiated at the beginning of this Covid, was not nearly enough and we

know that there was a real issues and how those grants and loans were distributed by boroughs. The borough of the Bronx received only one percent of the total loans that were allocated. Are we-- have we learned from our mistakes and what was the city prepared to do without federal-aid to make sure that the help is equally distributed by the five boroughs of what dollar amount you think that will look like? Without federal-aid.

COMMISSIONER DORIS: Thank you. And certainly for the loan and grant program, you know, three percent is not certainly what we wanted for the Bronx. Since you know we talked about that. But certainly, we've done things a lot differently. We change the way that we go about setting our metrics and also our outreach which, by the way, is the most important piece that businesses need to know about in order to facilitate them for them applying. And so we've done that. A perfect example is the emergency grants that was given out for Elude in. Over 60 percent was in the Bronx. We made sure of that and we did that in a way that, with our community partners in the Bronx, several of the community-based organizations and also BID's also worked with us so

we could specifically get to businesses in those areas. Similarly to how they are working with all the outside groups like List and others who have specific programs for small businesses. We also are looking at LMI communities, low to moderate income communities, as targets, since they are disproportionately more affected by this particular pandemic than any other group. And so, looking into those areas, looking through our grant programs to our BID's and also some other organizations that we worked with. So, look. We been deliberate about that. I think even my attention to the outer boroughs in our five boroughs strategy, the physical presence we have there, reinforcing assistance to our Business Solution Centers, and also our Workforce One centers. And so, making sure that those who are seeking jobs are able to get assistance. And so-- But we, you know, we do hear you on that and we have changed some of our methodologies and how we approach it, and how we partner with community organizations to help assist us to meet those goals. I don't have a number for you as it pertains to what the city can do, seeing the city's financial situation at the moment. Right now, I only can say that we are

constantly looking for ways that we can continue to invest in our businesses, but also open other opportunities for them to increase revenue and to give an opportunity for them to survive. You know, one of those is around our anchor strategy. We announced at late in the summer, early fall. How we utilize the anchors who are constantly purchasing things. The hospitals, the arts institutions, financial institutions, those who are here anchored in the city and in communities, how do we get our small businesses plugged into their supply chains? We are doing that. Were actively doing that. The Mayor announced that. And so, you know, we have done things of that nature and we will continue to do so to make sure our businesses do have opportunities.

CHAIRPERSON GJONAJ: Right. I appreciate that maybe some of these questions [inaudible 00:34:24], but at this point I would imagine we should have a think tank that is looking at all of the options that we are going to have or what a second loan and grant program for the second Covid wave would look like. If we don't have a think tank coming up with the possibilities with or without federal-aid, then we are just going to be reacting

and our businesses are going to be allowed to fail and were not going to be there for them in their time of need. If we are not thinking about this now and coming up with plans that we can educate our small businesses who are not prepared-- We are government. Were supposed to be prepared. Our responsibility is to be prepared for them in their time of need. We have gone through one crisis already. We learned. I hope we learned. But I'm asking you for what looks like is inevitable, a second Covid closure. We don't have a plan in place that we can share with our small businesses. That is government failure. If you can't tell me, Commissioner, that we are going to have X dollars ready for loans and grants for small businesses to whether their second closure, why does SBS exist? This is potentially an upcoming weeks. They won't have time to wait for us to figure it out. We are supposed to be doing this in advance. Learning from the first shutdown and here is what we are prepared to do. The mission. Am I being too difficult? Am I being too direct? This is the feedback that I am getting from my small businesses. Mark, in the event of a second closure, what are you prepared to do? We are going to need loans and

grants to get us through this. Are you thinking about the dollar amounts? And if we don't have that answer for them in advance of the second closure, we have failed them.

COMMISSIONER DORIS: Well, yeah. Thank you, Chair Gjonaj. Look, I agree with you. Nobody wants a second shutdown, but we have a small business counsel, as you know, that meets regularly that we put forth recommendations that they have heard. We have heard from them. We have heard from the small businesses. Our work is around making sure that we increase revenue, reduce costs, and help with the regulatory challenges that these businesses may face if and when we do head into a shutdown. So, I mean, we do have something very comprehensive there. We are also working on, as you mentioned, other financial resources for small businesses. Look, we have helped a significant number of small businesses as SBS. 113 million dollars already. We will continue to do that. We built the infrastructure from the first wave that we have experience that we know exactly what we need to do when and if something else happens. So, we have the infrastructure. We have the communication infrastructure. We have the

support services for financial assistance. We have the legal support services that we give to businesses. We've got, also, as I mentioned, opportunities for them to grow their businesses outside of their traditional models. That's including anchor strategies and also are helping them to get online with our tech advisors and our partners like MasterCard which we have. And so, you know, we've got a significant number of resources ready for our small businesses and we are ready to the point. We've got partners right now. We are working with List on grant programs that is out there right now as we speak and, you know, we're continuing to add additional partners to that. So we do have a plan. We have an infrastructure. We have a Small Business Committee that we meet with regularly. Some are your speakers today are on that committee and certainly we will continue to expand and do everything we can. We are in total agreement with you about the concerned around the second wave, but we are ready and we are prepared and we will--

CHAIRPERSON GJONAJ: inaudible 00:39:06]

COMMISSIONER DORIS: continue to do what we are doing to help small businesses.

CHAIRPERSON GJONAJ: There are a lot of questions, but ready means we also have a dollar amount. With or without federal-aid, we are supposed to know the dollar amount that will be available to them so that they are informed in the event of a shutdown. Not left in limbo to figure this out and navigate uncharted waters again when they are waiting for guidance. I'm talking about specific loans and grants. If we don't have a dollar amount in mind, or you not shared with me and that means everyone else, what funding will be available? If any. And if it is nothing, there is no more-- there is no money available, then we should let them know. Guys, if there is a second shutdown, we will not have any loans or grants for you. So they can figure out what options they do have available. By keeping them in limbo hurts. It doesn't help. I know, Commissioner, that other colleagues want to ask you questions and I want to pass it back to the counsel so that the Council members can ask the questions.

COMMITTEE COUNSEL: Thank you, Chair.

At this time, we will just move on to Council member questions for the time being. I will now call on other members to ask the questions in the order that



they have used the zoom raise hand function. Council members, if you would like to ask a question, but have not yet use the zoom raise hand function, please do so now what I will call on you in order. At this time, we will first your questions from-- we had Council member Levin who had raised his hand before. Council member Levin, do you still have a question? Yes. Council member Levin does have a question. Please go ahead, Coun-- Council member Levin, please go ahead.

COUNCIL MEMBER LEVIN: Thank you very much. I apologize. I have a crying baby here in the background, but I did want to ask about-- and I think you, Commissioner, for being here and thank you, Chair. I was speaking with a friend of mine the other day who has a small business and I was talking to him about PPP and he said that the first round of PPP really saved his-- allowed him to stay in business. It has kept him alive to this point. He is looking at the first quarter of next year-- and this is in kind of a manufacturer stage production material and things like that. The first quarter of next year, if he doesn't receive the second round of PPP, he doesn't matter how he is going to make it. I

guess my first question is what is the de Blasio administration doing reaching out to the incoming Biden administration, the transition team, members of Congress, to ensure that New York City based small businesses will be able to receive some relief on the next round portfolio within the next month or two? So that would be my first question.

COMMISSIONER DORIS: Thank you, Council member. Sorry. I was trying to unmute there. So, we are in total agreement that. As you know, with the PPE program, the challenge we had from the inception were several. One was the utilization of large banks and not community involved financial institutions or CDFI's who are underground community lending institutions who help these small businesses and work with them. And so, that was changed. We lobbied very hard for that and then there was an additional 60 billion dollars putting you will find to helping those and set aside almost for CDFI's which then we saw that, through that process, smaller businesses like New York City businesses were getting more funding. So your colleague you are mentioning, I think, and is very, very important what they're saying as it pertains to PPP. We at SBS,

have, you know, worked with the SBA Association here in the city to really connect. I think over 35 million dollars in funds to small businesses through the PPP program and we will continue to do that. But, you're right. Unless there is some additional utilization of the remaining 130 billion in the PPP program, small businesses will go without that. And so, we have been lobbying already and, before even the election, we've been pushing the federal government, but also through our Federal Affairs Office, through my office, through direct contacts with SBA. We been pushing not only the full utilization of the 130 billion dollars that is left in the PPP program, but also some creative ways around rent reduction, helping commercial partners who, you know, who were struggling themselves because folks are not been able to pay them. Figure out some ways through the regulatory process to get some changes and [inaudible 00:44:59] so that they can pass that on to small businesses. We have been pushing that idea. You know? We have been pushing several other ideas around utilization of the MUNI facility. That's the all facility at the federal--- the feds and treasury that allows municipalities to

borrow dollars to help small businesses. The challenge there is the number of dollars-- I'm sorry. Percent. [Inaudible 00:45:28] it's four percent or so or something outrageous, so it makes it improbable for municipalities to get that money into use it and utilize it. So, I agree with you 200 percent. We have been talking to them, but a lot of our ideas around rent, around the restaurant act, getting all those things through and why is it important for New York City.

COUNCIL MEMBER LEVIN: Thank you, Commissioner. And another question is around language access. What is SBS doing before small businesses that are in immigrant communities that might not be English proficient? How is SBS addressing that issue of language access?

COMMISSIONER DORIS: Thank you for that question. As you know, I always say this--- not that it matters in medicine, but it matters to me-- you know, as an immigrant myself, understanding and making sure and as a former small business owner myself, but this is paramount and, of course, leading the city's MWBE program when I did, this is critical for me. And I needed a priority here at SBS that,

out of the 47,000 just depends that our 220 webinars that we have, over 80 percent or so-- 85 percent -- was done in another language. Okay? And so, for us, that is so critical that we. Also, all of our materials are either translatable on our website where we translate them ourselves in the flyers. If you go around certain communities, and community, you see our flyers in different languages. We do that on purpose. And then, lastly, really partnering with community organizations who work within those communities, immigrant communities, to make sure that our-- the word is getting to those businesses. And, of course, being in those immigrant communities or communities which English is not primarily first language-- for instance, in Inwood. Last Friday, we were in Richmond Hill. Again, Bengali and other types of languages being spoken there. Spanish, etc. We were there with our mobile outreach with different flyers in different languages. When you do our hotline, there's 200 languages being spoken there. You can, as an immigrant, English as a second language, you can actually access help and resources from our hotline and the language that you desire. So, I appreciate that, Council member Levin. I am in

2 agreement with you 100 percent. We are doing all we  
3 can in that area. Certainly looking forward to doing  
4 more additional outreach as new requirements come to  
5 bear. Will certainly be doing that.

6 COUNCIL MEMBER LEVIN: Thank you so much,  
7 Commissioner. Thank you, Chair.

8 COMMITTEE COUNSEL: Thank you, Council  
9 member Levin. There are no other Council members  
10 with questions at this time, so I will turn it back  
11 to Chair Gjonaj for any additional questions.

12 CHAIRPERSON GJONAJ: Thank you. So,  
13 Commissioner, I received the email and there is no  
14 indication on here of an increase in the Covid cases  
15 or a the where. The closest thing that comes to any  
16 other type of award-winning there is, as you are all  
17 well aware, this pandemic is not yet over. All right  
18 says. There is no reference to the number of cases,  
19 the uptake, the zones. There is no disclosure.  
20 Nothing that for one small business is before they  
21 make significant investments that there is a  
22 potential shutdown. You're muted.

23 COMMISSIONER DORIS: Yeah. No. Thank  
24 you. Look, I don't know-- I'm just checking with  
25 the team to see which one you received. Again, we

send quite a few of these out on a weekly basis, so I want to make sure you get the right one. Normally what happens is the closer we are to a particular announcement, say, the Mayor had announced about the three percent in the closure of schools, etc. When we put the announcement out, at that time, generally speaking, we do make folks aware of that. So I'm not sure-- I'm sorry. I'm checking with the team to make sure. You may need a few of them to be sent to you in order for you to get a better sense. That might be specific. That was the one sent on Friday, the 20th. So, team, if you are listening to me, please go back a little further that's more connected to when the guidance was coming out and we'll get that to you.

CHAIRPERSON GJONAJ: What I'm looking at, Commissioner, is November 20th where the Mayors wish everybody a happy holiday and encouraging on how to have a safe holiday. So, that is the last one. The, what your team looks at it, we will continue. So, November 28th there is a report from the administration that is due on details on how the distribution of the first round of loans and grants

are dispersed. Are we going to have that report on time?

COMMISSIONER DORIS: We intend to fulfill our compliance requirements.

CHAIRPERSON GJONAJ: Great.

Commissioner, as you know, retailers rely on this time of the year for the bulk of their sales. As we speak, more mom and pop businesses are buying inventory in the hopes that they will be able to sell the products to get them out of the hold that they are in. This is the concern. Many of them have had depleted their credit lines. They are now purchasing cash at hand. Many of them are using personal funds and putting themselves further into debt to get through the holiday season in the hope of rebounding. Are we prepared for the devastation if we lose this holiday season hopes that retail will be shut down, traditional brick-and-mortar will not be able to sell their products? Are we preparing them?

COMMISSIONER DORIS: Yeah. I do agree with you the concern there and we believe that we are ready. You know, Chairman Gjonaj, as we mentioned, the infrastructure, one, to communicate and, too, to assist small businesses-- and we bolted over the



last several months. When we are communicating with them, we know how to reach them. We have their and nation. You know who they are and we cannot get to them with the critical information if need be. God forbid there is a shut down. The open storefronts program, also, we heard from our BID's. We heard from her chambers. We heard from the small businesses themselves. We need a way-- 70 percent of my sales, we heard, combat this time. We need a way to do it where we can expand more. We are only at 50 percent capacity indoors. We want to do this safely. We want folks to be able to social distance. We also want to be creative. We put stuff out in front and people see it. They can actually come and buy it right there right in front of the store. So, look. I feel like that is critical because we heard from the community and we responded. We are ready and prepared if they need financial assistance. We are prepared an ark Business Solution Centers. Our hotline, 45,000 calls. 70 percent of them are about how can you help me with financial support? We have done that. 113 million dollars. We have the infrastructure. And so, I hear you, the concern. I agree with the concert because it is one of mine.

You know, we are passionate about small businesses and we don't want to see any business shutdown or industry shutdown, again. But we want to say to folks that we are going to do everything we can to keep the rates down, social distance, wear you masks, do everything we can as a community. And we have to reinforce that to the community to make sure that everybody is doing that. And so, we are health focused and we want to make sure that because the health crisis brought on the economic crisis. We have the infrastructure to help and support small businesses. We currently have it and we will continue to use that. God forbid there is another shutdown.

CHAIRPERSON GJONAJ: Thank you, Commissioner. If there is another shot or a shut down, is this administration prepared to suspend real estate taxes, water and sewer payments, or sales tax payments? Is that in the arsenal that you are aware of?

COMMISSIONER DORIS: I'm not aware of that, sir. And as you can imagine, I am sure other ideas around what we can do-- I know there are ideas at the state level about additional support another

tax relief and various matters. And so, look. We want to make sure that our small businesses are here, so I hear you on those fees and fines and regulatory requirements. We have went on an educational tour making sure that business is know what the rules are and what the regulations are. As it pertains to those, I can't comment on those now on those particular items. I certainly will take them back and get back to you.

CHAIRPERSON GJONAJ: Commissioner, we brought this up on the first hearing on the first shut down. We sent a sign-on letter and demanded that the administration suspend these payments that allow these businesses to use that cash to help rebuild their businesses, did change their business models. It fell on deaf ears and what you are telling me now-- I'm going to pay an ugly scenario for you. It looks like there is a second wave shutdown coming. We are allowing businesses to spend money that they don't have on open streets and open restaurants that we can't use. We are allowing businesses to buy inventory for the holiday season that there is a good possibility they will not be open for the holiday season and we are going to tell

1    them, although you have no revenue coming in and you  
2    can't pay your rent or your employees, don't forget  
3    to pay your real estate taxes, water and sewer, and  
4    sales tax because, if you don't, we are going to  
5    charge you interest compounded to make sure that we  
6    put you out of business. And we have no loans and  
7    grant programs allocated in case there is a second  
8    shut down for you to tap into. There are no dollar  
9    amounts. We have nothing that we can offer you  
10   today. Some of the reports that I have heard can  
11   lead to a closure similar to Brooklyn and Queens in  
12   the next few weeks. Am I wrong here on my  
13   assessment, Commissioner? What I just projected?

14                    COMMISSIONER DORIS:        Yeah. I would  
15   just say that, Chair, look. I think we agree on this  
16   concept around being able to support a business who  
17   calls and says, I need help. And SPS has done that  
18   over 108,000 services provided to these businesses.  
19   When folks call, when folks say they need help, we  
20   help them and so, I do disagree with the notion that,  
21   somehow we don't have resources available or not in  
22   place or there is no plan. That just doesn't add up  
23   and, I mean, in my testimony, I outlined all that is  
24   being done and is therefore small businesses.  
25

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2 CHAIRPERSON GJONAJ: Case in point.

3 COMMISSIONER DORIS: As with the  
4 legislate-- I'm sorry?

5 CHAIRPERSON GJONAJ: No. No. I'm  
6 sorry. I thought you were--

7 COMMISSIONER DORIS: Now. I was just  
8 saying that I know there was legislation passed on--  
9 you talked about interests, as well, with DOF. There  
10 was some legislation passed there to reduce late  
11 payment interest, as well and--

12 CHAIRPERSON GJONAJ: Reduce?

13 COMMISSIONER DORIS: and we will  
14 continue to reduce it. Yes.

15 CHAIRPERSON GJONAJ: Produce. Not  
16 remove. Reduce. You still have to pay if you don't  
17 pay, you are going to be paying interest.

18 COMMISSIONER DORIS: Correct. And that  
19 was city Council passed---

20 CHAIRPERSON GJONAJ: [inaudible  
21 00:58:50]

22 COMMISSIONER DORIS: Yeah. City  
23 Council passed legislation that reduced the fine--  
24 reduce late payment interest and so forth. But,  
25 look. I think the main point I want to just

reiterate is, if a business needs support, business can call us at 888-sbs-4nyc. You call us. 45,000 businesses have already and they have gotten support and 70 percent of those businesses called about financial assistance and they have gotten support. We've already given out and/or help connect and orchestrated 113 million those businesses. So, you know, I just want to, again, just reiterate. I hear your concern, but I also want to let businesses know that that is our role at SBS. If you need help, you call us. You will get the help. That is what we are committed to doing and so I don't want the business to look at this here and say, oh, the city has left you out to try. That is not the case. And, again, we have already had over 108,000 services provided to small businesses in this pandemic. So, look, we will continue to do so and we know there is more to be done. This is why we say we need federal help. Just like with unemployment, we need federal help. Just like with any other part of this tragedy, we need federal help. It is the same thing here on the small business side. We have got the heroes act. It needs to be passed. There is restaurant provision in there. Congresswoman Maloney yesterday talked about

the pre-at act which has helped also with business interruption insurance which, by the way, is in large part why we are in the way we are now because insurance companies refuse to honor business interruption insurance for businesses and, again, that they have been paying into for such time. And now they why we are where we are now. She has introduced legislation to actually fix that problem. These are the types of solutions that we need from a federal level. We have also talked about helping commercial rent with commercial mortgages and passing that on to the tenant and the business. And we also know that that all so requires the federal government to make changes in the regulatory environment in order to make it applicable to small businesses. So, these are all things we are looking for and we know that they have real results. But, until those come, SBS is here to help small businesses and we will continue to do that.

CHAIRPERSON GJONAJ: Thank you, Commissioner. But to ask you, then, for the neighbors of Brooklyn and Queens where restrictions were recently imposed and forced the closure of nonessential business in October, does SPS collect

2 data on how the revenue for such businesses were  
3 impacted during those times and what did you do to  
4 help them for shut down?

5 COMMISSIONER DORIS: Yeah. Sure. I  
6 was in the red zones. I was in the yellow zones. I  
7 was in that orange sounds, personally, out there  
8 working with those businesses and connecting them to  
9 resources. Again, that is what we do. And so, when  
10 it happened, I was-- the next day I was in the rock  
11 ways. I was in Sunset Park, Brooklyn in communities  
12 where that was part of it and I will continue to do  
13 that. And I was physically there with my team to  
14 help those businesses and we did. And so, you know,  
15 part of, again, what we do at Small Business  
16 Services, when these things happen, we make sure that  
17 our resources are available, sir, to those  
18 businesses. And we have done that had nothing is  
19 going to change. God forbid something else happens.  
20 We are there on the ground with those businesses,  
21 working with them, getting them the resources that  
22 they need.

23 CHAIRPERSON GJONAJ: So, the question is  
24 what are those resources that you provided them?  
25 They were shut down--



COMMISSIONER DORIS: Yeah. Sure. So, businesses asked for, you know, financial assistance, so we have our Business Solution Centers. We connect them. We work with them to get those resources to them. Businesses wanted to know additional information and. As you know, information is key in the small business world. We gave that information to them. All the requirements. We have a virtual consultant who, literally, with the camera, from all, obviously, from our office is in the businesses on the ground, walked them through the process so that they know what the requirements are and what they can and can't do. So, that is what businesses are asking for. We are giving businesses what they are asking for. They're asking for guidance. We gave them guidance. They're asking for financial support. We did so and we will continue to do so.

CHAIRPERSON GJONAJ: On the financial resources, what did you do specifically? Are you able to tell me how you found the money?

COMMISSIONER DORIS: Sure. I mean, we-- the process is the business calls us or we connect with them on the ground. We have our Business Solution Centers. The business will give

the profile. Here is my concern. Here is what I need funds for. We then will run that, fill in all the applications for them, work with them, and then there CDFI's, banks, 40 lenders that we have, and then we then facilitate the transactions between those in the business. So, it is a white glove service that we offer those businesses. And those are the types of services that we provide on the financial side.

CHAIRPERSON GJONAJ: So, it is strictly loans. Do you know what the interest rate of those loans run?

COMMISSIONER DORIS: Some of them are zero percent. Some of them maybe two, three, four percent. It depends on the entity and it depends on the business, as you know. Every business is different. Some businesses can, depending on the CDFI and what they are offering, what they can actually offer to particular business.

CHAIRPERSON GJONAJ: Can we get an outline from you on the dollar amounts in the form of allocations that were done for finance for those two districts in Brooklyn and Queens during the last shut down? In the loss of revenue for those businesses if

you can-- if you are getting that information.

Because that's how we assess what we need to do. The loss of revenue, what were your needs, was it dollar amounts and the eight that you received from us.

COMMISSIONER DORIS: Yeah. Were happy to get as much information as we have and get as much information on our loan and grant programs, or financial assistance programs, and what that would hundred 13 million dollars looks like. I don't think that is the challenge for us. We'll get that info to you.

CHAIRPERSON GJONAJ: Commissioner, I know that it you're going to be leaving soon, but I haven't received that second email yet.

COMMISSIONER DORIS: Okay. Well, waiting on the team to get it. Sorry. We can--

CHAIRPERSON GJONAJ: What happened?

COMMISSIONER DORIS: We can send over-- Look. I understand the point and we can send a series of them for the month. That would be probably helpful, so you can probably get a better sense. So, I hope the team is moving to compile it together to get to you.

CHAIRPERSON GJONAJ: Commissioner, I am willing and happy to work on this with you, but talk about two things that businesses needed. Financial resources and that information. If we are not giving them the information I had of time, then it is a disservice. Financial resources aren't connected to banks and loans that they may get, may not get at what percentage, I'm not sure. I am looking forward to getting that report. We're not doing enough for them. These businesses have been paying income tax to the city of New York. They have been paying real estate taxes, water, and sewer charges. They been paying into the system and at their time of need, we are not giving them what they deserve. Our small business is have helped build this city. They are a major contribution to the tax-- to our tax base. They are our backbone. They are the job creators. They are what make our neighborhoods and communities such a great place to live and invest in. They speak multiple languages and, in their time of need, it doesn't look like we're going to be there for them on a second shut down from the first. Because if we don't have a dollar amount-- and I believe the first loan and grant program was 49 million dollars for

230,000 businesses in the city of New York, that entitles each one of those businesses to a cup of coffee is what it really equates to. Not much more than that, let alone help rebuild their businesses. And connecting them to resources to go to a bank and [inaudible 01:08:18] answer of federal dollars, federal aid, when they've been paying into the city tax base all along. They took us through some bad times and have really delivered for us in the good times and I still don't see a plan for them. Something tangible. Something that he says their concerns, that lets them sleep at night to say my city, the city that I helped build and paid my taxes to, has assured me that, if there is a second shut down, here are the dollar amounts that we are going to have available to you small businesses and that you can't survive. Don't worry about paying your real estate taxes, which I believe are due December 31st. I believe sales taxes are due in January. And water and sewer rates, I believe, are due in January also. They will be forced to pay interest for feeling not to meet the payment needs to those three categories. We are not doing enough, Commissioner. We are really not there for them and, when they go

with their projection of 30 percent of our small businesses not reopening, it will be a devastation to our economy. These are not my numbers. These are the reports. 30 percent of small business will not reopen. That was based on Covid's first closure from the change in consumer behavior and e-commerce. We have spoken about this several times. What are we doing to educate New Yorkers on the importance of shopping locally? We explained 67 cents out of every dollar you spend locally stays locally. If you're going to shop and you have to do it e-commerce, do it locally so the money stays local. Maybe you can help me before the end of the season. Before the closures happened in the importance of educating New Yorkers on the importance of wanted to shop locally. We've been at this and we have spoken to EDC and this administration. What are we prepared to do to educate New Yorkers now I had left this holiday season to buy local, shop local? Commissioner, you are muted.

COMMISSIONER DORIS: Yeah. Thank you. I can control the mute button here, folks, so please just let me do that. You know, I feel that. You know, I certainly hear you and really, really

1 appreciate the concern there. You know we have the  
2 All In Campaign that has been going on, you know,  
3 from NYC and Company. We have been working with  
4 them. They've got programs with MasterCard and  
5 others where there is incentives there for small  
6 businesses to participate in for folks to sign up,  
7 for us to drive it home. There is advertisements  
8 everywhere about being all in with shopping local,  
9 shopping small. Our advisory committee, we talked to  
10 them about this. They are out there doing it. We  
11 are trumpeting it. There is certainly more to come  
12 on that. We are very excited about what is about to  
13 happen and where we are going with that, so, as I  
14 mentioned, on our last quarter walk, there is some  
15 things we are going to be sharing in the near future  
16 on that. And so, look, I agree with you. We want  
17 everybody to shop local. I have done numerous  
18 interviews in the last weekend weeks and we have been  
19 saying the same thing. So, every time folks see me  
20 speaking, I am encouraging them to shop local,  
21 particularly now in the holiday season with 70  
22 percent of businesses actually get their revenue.  
23 Our retail businesses. So, we are in 100 percent  
24 agreement. We just have to continue to get the word  
25

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2 out, continue to say it over and over and over again.  
3 And certainly are Council members can be helpful  
4 there. Community leaders. Everybody telling folks  
5 that we have got to shop local. We have got to shop  
6 small.

7 CHAIRPERSON GJONAJ: Commissioner, thank  
8 you. You referenced earlier the small businesses---  
9 The Small Business Advisory Council. It is been  
10 reported that the advisory Council hasn't convened in  
11 months. According to the Bronx Chamber of Commerce  
12 president, Lisa Soren [sp?], After phase two  
13 happened, the meeting stopped. According to the  
14 Asian American Federation President, when we were  
15 asked to serve on these committees, I said yes with  
16 the expectations in the hopes that [inaudible  
17 01:13:22] that we would be talking about would be  
18 implemented. It would be an understatement to say  
19 that I am disappointed. I'm actually very frustrated  
20 and very, very angry. How do you respond to these  
21 small business advocates and do you know if they have  
22 had a recent meeting?

23 COMMISSIONER DORIS: Of course. I am a  
24 part of that meeting and I conduct those meetings.  
25 We've had, I think, nine meetings or so. Just



recently had two meetings in the last month, so I'm not sure what that's--

CHAIRPERSON GJONAJ: [inaudible  
01:13:53]

COMMISSIONER DORIS: but I'm not-- the last meeting, I'm not--

CHAIRPERSON GJONAJ: The last hearing. I'm sorry. At my last hearing, this was brought up. I believe you were not there. The Deputy Commissioner was there.

COMMISSIONER DORIS: Oh. No. I'm sorry. Listen, this isn't-- We've recently had one and, again, some of the folks who are going to be speaking here on that committee and we met several times within-- I think at least two times in the last month and then before that, as well. We have already had about nine meetings. You know, all of the work that we're doing here is based on, and part, what we get it feedback from those committee members. We were just out with the Asian American Federation in Mori Hill last week and working with those businesses there. So, I'm not sure where-- I'm not sure about this information, but, certainly, the committee has been meeting. We continue to me and I

think we are having great opportunities to speak with businesses that come up with creative solutions. We have also done some art push advocacy from the committee on federal level, as well. I'm sorry. I just-- I'm not sure I agree with the dissentiments there. I mean, we met and we continue to meet many times with those committees and hear from that met implement the suggestions that they put forth.

CHAIRPERSON GJONAJ: Thank you.

Commissioner, are you in the administration particularly-- You are the Mayors eyes and ears on small businesses. How often and when was the last time you met with the Mayor about the shut down and the potential for a second shut down?

COMMISSIONER DORIS: Yeah. Certainly.

So, you know, we have-- what was that? Last week?

You know, and we hear these certainly the comments

about if we meet with the Mayor or not. You know, I

am the Commissioner of Small Business Services. I am

in constant communication with the Mayor about small

business work and I will just leave it at that.

That's my job and that is what I do.

CHAIRPERSON GJONAJ: I know that you

have to leave in a few minutes and I know that we

2 have, I believe it is, the borough president. Gail  
3 Brewer is with us and I think she may have a question  
4 for you and I want to make sure she addresses you  
5 before you have to go, if that is okay.

6 Commissioner, please send me that email over. I  
7 haven't received anything as of yet. Maybe a staffer  
8 will get that over as soon as possible. Steve, are  
9 you able to put the borough president on?

10 COMMITTEE COUNSEL: Chair Gjonaj, it  
11 doesn't appear that the borough president is on at  
12 this time, so I think we can move on unless she does  
13 appear within the next few minutes.

14 CHAIRPERSON GJONAJ: Commissioner, I'm  
15 sure that your staff will be following this hearing  
16 as we hear the testimony of stakeholders and perhaps  
17 we can learn more from them and help address the  
18 other issues? You are muted.

19 COMMISSIONER DORIS: Thank you. Yeah.  
20 I'm being muted. Yeah. Sure. Absolutely, sir. Our  
21 team will be on and will continue to be on to hear  
22 from the advocates and the other elected and be  
23 responsive to you.

24 CHAIRPERSON GJONAJ: Will you be  
25 advocating alongside of the small businesses and

their stakeholders from the chambers and the BID's that are going to be calling on this administration to suspend real estate tax payments, water and sewer payments, sales tax payments to the city, especially in lieu of a second closure that we are all facing?

COMMISSIONER DORIS: We are certainly going to advocate on things to help small businesses. I can't specifically outline all those requirements that you just mentioned, but we will continue to do our advocacy for small businesses and that is what we do and we will continue to do so.

CHAIRPERSON GJONAJ: We often speak frequently on these times. We must. And I will continue to do that. Can I expect from you a meeting or a further conversation on the dollar amounts the city of New York is prepared put into a loan and grant program in the event of a second closure?

COMMISSIONER DORIS: I'm happy to discuss what our thoughts are. Absolutely. We'll continue to do that, sir. I think we have a great working relationship here and I appreciate your input and guidance and your advocacy and compassion for these small businesses as we do. And so, absolutely. I look forward to that.

CHAIRPERSON GJONAJ: Commissioner, I know you are just as passionate and concerned and that's why this is not an attack on you. I just don't think you have the resources that [inaudible 01:18:58] for our small businesses [inaudible 01:19:00]. With a fourth rate of federal, federal, federal, that may come. They come too late. The devastation, in the meantime, it is irreparable. These businesses are in trouble. Waiting for federal-aid and anticipation of that aid is not using their pain. It's not keeping their doors open. They are actually being nailed shut and the city of New York is pushing those nails into those stores by making sure that they continue to pay fees that they cannot afford. By allowing them to make investments into outdoor dining and outdoor retail that they will be forced to shut down in the coming weeks. I hope that is not the case because that means the Covid cases are not on the rise, but all of the evident-- all of the indicators are there. A second closure seems imminent and it is up to New Yorkers to practice safe and social distancing and wear a mask to prevent that from happening. But I don't think we're going to be there in their most time of need in

2 the event of a second closure. So, thank you,  
3 Commissioner.

4 COMMISSIONER DORIS: Thank you.

5 CHAIRPERSON GJONAJ: Counsel, I will  
6 hand it back to you on the ones that are ready to  
7 testify.

8 COMMITTEE COUNSEL: Thank you, Chair.

9 At this point, we will now turn to public testimony.

10 I would like to remind everyone that, unlike our

11 typical Council hearings, we will be calling

12 individuals one by one to testify. Each panelist

13 will be given five minutes to speak. Please speak it

14 what's the Sergeant-at-arms has given you the Q to

15 begin. Council members, again, to have questions for

16 a particular panelist should use the zoom hand raise

17 function and I will call on you after that panelist

18 has completed their testimony. For panelists, once

19 you have been called, a member of our staff will

20 unmute you and the sergeant-at-arms will give you the

21 go-ahead to begin. So, again, please wait for the

22 Sergeant to give you the cue to start. At this

23 point, we will be hearing from Thomas Grech of the

24 Queens Chamber of Commerce followed by Andrew Rigie.

25 SERGEANT-AT-ARMS: Time starts now.

2 COMMITTEE COUNSEL: Sir, please hold on  
3 to be unmuted.

4 THOMAS GRECH: All set? Can you folks  
5 hear me?

6 COMMITTEE COUNSEL: Yes. Thank you.

7 THOMAS GRECH: Thank you very much.

8 Good morning, all. Thank you, Chair Gjonaj, and  
9 distinguished members of the committee. My name is  
10 Tom Grech. I am the president and CEO of the Queens  
11 Chamber of Commerce. It is my pleasure to be here  
12 today on behalf of our 1300 member businesses, the  
13 vast majority of which are small businesses. In  
14 fact, 90 percent of our members, 90 percent, have 10  
15 or fewer employees. As the oldest and largest  
16 business Association, we have seen firsthand the  
17 devastation the pandemic has caused and the  
18 challenges it has presented throughout the city.  
19 Many cherished neighborhood institutions could not  
20 withstand their revenue losses due to the shut down  
21 and have closed their doors for good. One of the  
22 industries that has been particularly hard hit is the  
23 restaurants and hospitality industry. In 2019, our  
24 city was home to 23,000 restaurants that provided  
25 over 317,000 jobs and delivered nearly 27 billion in

taxable sales in 2019. But in June, employment in this industry fell to 91,000, according to a report by Comptroller-- New York State Comptroller Tom DiNapoli. In June, four out of every five restaurants and bars were unable to pay their full rent, according to a study done by my friend and fellow presenter today, New York Hospitality Alliance, Andrew Ritchie. Today, sadly, my estimate is that nearly 50 percent or one half of the 6000 restaurants every open. The businesses that have survived are doing so by the skin of their teeth. A second Covid way, which it appears we are in right now, even if it is only a fraction as bad as it was earlier this year, will be the death knell for many restaurants and small businesses. These establishments give us our neighborhood character, provide jobs and economic opportunity. We cannot let that happen. We need a robust federal stimulus package now, one that helps the city and the state maintain essential services like public safety, transportation, and provides relief to small businesses. We have had numerous press conferences, numerous calls to include the Restaurants Act, the federal Restaurants Act that would create 120 billion



dollars stabilization fund for restaurants. Saving tens of thousands of jobs. We put together a bipartisan effort before the election with Congressman Peter King from Long Island and our own Queens Grace Mang, along with support from Greg Meeks, Tom Swazi, and the rest of the Queens Delegation to get this done. We need our landlords to work with small businesses to ensure our businesses can stay in our neighborhoods and that main street stay vibrant. We will need our government leaders to work closely with our businesses to communicate protocols. This includes giving businesses as much warning as possible before designating an area hotspot and trying to be as precise as possible. Small businesses are struggling in every borough, neighborhood, and Council district. It is important to note that are small businesses have done everything asked of them to keep their employees, customers, and communities safe. They have had to shut down when they reopened to take on added cost to operate. We owe it to them to do everything in our power to make sure they can get through this difficult period. These folks are everyday heroes. Thank you for the opportunity to

1 speak on their behalf across Queens and the rest of  
2 New York City. Happy to answer the questions.

3  
4 CHAIRPERSON GJONAJ: Thank you, Tom.  
5 And I want to thank you for your friendship and the  
6 work that you are doing for the small business there  
7 is in Queens. Tom, hearing from the SPS today, do  
8 you feel more comfortable that, in the event of a  
9 closure, that government will be there to help our  
10 small businesses during what is going to be the most  
11 challenging and difficult hardship?

12 TOM GRECH: So, first off, thanks for  
13 that question. It's a really important one. I want  
14 to tip my hat to Commissioner Jonnell Doris. He's  
15 been everywhere in our city, and especially in our  
16 Queens on many occasions. We were able to get the  
17 Queens Chamber of Commerce in our headquarters  
18 building here at the [inaudible 01:25:49] corporate  
19 center to kind of be our logistic hubs for the County  
20 of Queens. To date, we received over a million  
21 disposable facemasks that we have distributed all  
22 over Queens County, untold gallons of hand sanitizer,  
23 face shields, thermometers, you name it. My hat is  
24 off to Jonnell Doris and his team for doing that. I  
25 will tell you, though, that we all know the city and

the state do not have the resources. The mayor said it. The governor says it. To me, right now, the most important part of this thing is to compel our Washington delegation, both the Senate and the Congress, to get this eight package past. We had hopes and dreams of having it done before the election on November 4th. It never came to fruition. With this second wave coming, Chair Gjonaj, I'm very worried that the places that we close over the next six weeks, the most critical part of anybody's business, whether it is to Diwali, Christmas, Kwanzaa-- you name it-- Hanukah. Going into the new year, will devastate our small businesses.

CHAIRPERSON GJONAJ: This is my fear, as well, Tom. In the event of a closure, during this critical time of the year where 70 percent of their revenue comes in, they lose that ability to sell their products and it will be the final nail and that will be-- when I heard that up to 50 percent of your restaurants in Queens will never open, [inaudible 01:27:16]. Imagine what it means to the retail corridor, as well. Less foot traffic. More vacancies. Our commercial corridors will look desolate which will be less inviting to foot traffic.

So, it is a downward spiral. And that is my concern. That we won't have a plan in place. We haven't been able to say, hey, we learned from the first shutdown. Here's the assessments. Here's the needs. Here is what government is prepared to do. Whether it be city, state, or federal. But the federal government is not going to be able to react quickly enough for the closure in our businesses, again, are going to be left on their own. Not only on their own, but, as you heard me mention, they still have to pay their real estate taxes, they still have to pay their water and sewer rates, they still have to pay their sales tax. Including the other fixed costs. [Inaudible 01:28:07] Insurance does not give you a break. If you don't pay, there is a 30 day grace period and then you lose your policy. So, now we're going to have businesses that do not have insurance which will open them up to more liability, God forbid, and potentially a loss that they can't survive because there will be no coverage for them. Tom, we will continue and I look forward to working with you on these issues. But until the city comes up with its own plan and the state contributes and, ultimately, the federal government, I really [inaudible 01:28:40]

for our businesses. I can't see, at this point in time, a plan that is going to help them navigate this potential second enclosure.

TOM GRECH: Council member, may I respond to that comment, please?

CHAIRPERSON GJONAJ: Absolutely.

TOM GRECH: So, as you know, like most of my fellow chamber leaders in the other four boroughs, I've walked miles and miles and miles over the last few months since the pandemic kind of broken we were allowed to go outside. I was with you when Council member Holden on Fresh Holland Road. I was out with Counsel member Koo in downtown Flushing. I've been now with Council member Adams. I've been out with Council member Grodenchik in certain areas and, you know, I've also been--- I don't want to say he accused, but I've taken some lumps for really focusing on restaurants and I think the reason for that is the drive the economy and so many different ways. Folks go to Astoria for Greek. They go to Roosevelt Avenue for Peruvian and Colombian food. They go to Mama's Empanadas. Those places get our businesses up and running and staying running. They walk. They go out in the street. You know, walk

around and I see these outdoor dining attempts. I also have to comment about some of the enforcement tactics. Very, very strict and very, very strenuous. These folks are trying to put everything they have into their life savings in the getting the place outdoor dining compliant, which was and is a great idea. But now that the weather turns, I'm very much troubled by some of these tactics that go after some of our small businesses with tremendous fines and very, very difficult rules for them to understand and pursue.

CHAIRPERSON GJONAJ: Thank you, Tom.

TOM GRECH: Thank you, sir. In the committee.

COMMITTEE COUNSEL: Thank you. Looks like we have been joined by borough president Gale Brewer. So, she had signed on earlier to testify, so, if you're ready, borough president, we can testify now and she will be followed by Andrew Rigie. Thanks for--

GALE BREWER: Well, thank you very much. Can you hear me? I think you can. I want to thank the Chair of the Small Business Committee. Thank you for this really important issue that I know that

Andrew Rigie and the Chambers are much more experienced than I am, but I do know, you know, that we have lost a lot of jobs. I don't need to tell you. You are going to have a copy in my testimony, so I am not going to go through all of that., But we know that the challenge is. So, there are couple of suggestions that we might make. One of them, of course, is to-- the fact. We walked Broadway from the bottom to the top in 2017 and then we did it again in August of this year and we found, no surprise to you, the 78 percent increase in vacancies and that is where we are going to be challenged, not only now, but into the future. And I know the city Council has passed legislation that, by February 2021, we will know that data because I have to say we thought it was a good idea before, but it is the been a good idea in the future even more so. And I have to say that we have to figure out how we are going to deal with these vacancies. How we can be helpful to the chambers, to the owners, to the small businesses. Because when you have a vacancy, you have trouble, usually homeless or garbage, next-door. And it really hurts those that are in business, number one. Number two is Manhattan has this commercial rent tax.

I think we been talking about that forever from Margarita 96th Street across the entire borough and we even have-- it has been reduced, I know, but I think it should be eliminated, particularly given the Covid situation. That is number two. And then the other issue is we learned a lot from the Paycheck Protection Program that, when it became available. And I think one of the challenges with the future is how we can make sure our community development financial institutions, the CDFI's, and local banks and more--- so, get more support in the future because the big banks did not help. We hope that, in Washington, we will get more dollars and I just want to say we have to strengthen these CDFI's in the future. I know that the state of Pennsylvania has done a lot along those lines. They have a formalized network of the CDFI's. They have trusted local lenders, as a result, and they made sure that they are easy to find. So, small business should create and maintain a list on a map of all of the CDFI's and the trusted local banks in each borough so that it's online and, obviously, part of our open data portal so that people know where they can go. That made a big difference in the state of Pennsylvania. So,



those are just some small issues that I think we can work on. It's in my testimony and I want to thank very much this committee. This is, as we heard from the previous speaker, the backbone of our city are the small businesses. The restaurants, the retail, and so on. And just like others, I am out every day. That's why I got my mouse gone now and I see what the challenges are. We are going to be walking all along upper Manhattan today because we have got some yellow zones and were going to be giving out PP, but what you learn when you do that is the vacancies and the challenges of getting funding to get them to be able to survive particularly in this colder weather. Thank you very much, Mr. Chair.

CHAIRPERSON GJONAJ: Borough president, thank you so much for your leadership in the hard work that you are doing for the borough of Manhattan. Manhattan is the engine. The outer boroughs is the fuel that operates the machine and I know you are just as concerned--

GALE BREWER: Yep.

CHAIRPERSON GJONAJ: for the future of our city when it comes to these small businesses and--

GALE BREWER: Yeah.

CHAIRPERSON GJONAJ: what is evident is we don't have a real plan in place for a second Covid closure.

GALE BREWER: Yep.

CHAIRPERSON GJONAJ: We haven't set aside dollars in the forms of loans and grants. That is what our businesses need today. But we are going to make sure that they pay their real estate taxes, their water and sewer, and their sales tax and, including the commercial rent tax on time and, if they don't, they are going to be subject to additional interest and penalties.

GALE BREWER: Yep.

CHAIRPERSON GJONAJ: This is sad, borough president. And I just want to add to that, help me understand or is it just me that feels that we are failing?

GALE BREWER: No. You are absolutely right. There is very little support. There is very little coordination of the different agencies which is another topic. Because, in today's world, with the outdoor, the sanitation, the scaffolding that is DOB and you know the list goes on and on. How in

this world do these small businesses navigate all of this? Then, of course, you just mentioned all the fees, taxes, and so on that they have to pay. So motors are staying, to their credit, give me a percentage of your sales. But that is not the majority of owners. Anyone who says that, deserves a gold star, but not everybody is doing that. So, they are going to get what you just described. So, we don't have a strategy. We don't have a strategy even if we get federal money. So, you're absolutely correct. So, you know, I've been talking about small business forever, as you have, so it is a big, big challenge that we have to deal with and thank God for your committee.

CHAIRPERSON GJONAJ: Madam borough president, I wish you and your family all the blessings of thanksgiving and I'm looking forward to continuing this conversation with you. Thank you.

GALE BREWER: Thank you. You too, sir.

COMMITTEE COUNSEL: Thank you. We will now move on to testimony from Andrew Rigie and you will be followed by testimony from Kathleen Riley. Please begin with the sergeant gets you the cue. Thank you.

SERGEANT-AT-ARMS: Time starts now.

ANDREW RIGIE: Good afternoon. My name is Andrew Rigie. I am the executive director of the New York City Hospitality Alliance. We are a not-for-profit trade association that represents restaurants, bars, nightclubs throughout the five boroughs. First, I would like to thank Chair Gjonaj, other members of the Council, borough president Brewer, and Commissioner Doris and so many others that I know are out there fighting around-the-clock for our small businesses in a really impossible situation. My friend Tom Grech had provided some numbers on the status of the city's restaurant industry. And, just to reiterate, it is a dire situation. Pre-pandemic, New York City's food and drink places employed more than 300,000 New Yorkers. Back in April in the height of the initial shutdown, we dropped down to about 97 jobs in our industry. Thankful to outdoor dining, 25 percent indoor occupancy, in some other policies, we have been able to hire back a lot of people. Unfortunately, there is still about 130,000 people that still do not have jobs in our industry that did back in February or early March. And now, with the threat of a second

closure and just the new limitations on operating hours, we could put up about 100,000 of those people that we just hired back back out of work. What are they going to do? These are people from all backgrounds, all different income levels. Many eligible for unemployment-- or ineligible for unemployment. There is no federal enhanced unemployment. These small business owners have been unable to pay their rent going back many months and there is no way they are going to be able to pay 100 percent pre-pandemic rents moving forward. And while we understand that the Council has, thankfully, it acted many policies that have been helpful, the inaction of the federal government to pass the restaurants Act, to pass save our stages act, to provide more enhanced unemployment support, it is frightening. And what really becomes incumbent on members of the city Council to continue to stand up and support these businesses. We have seven policies and I have submitted written comments and then I will give a quick overview of which are in the city's jurisdiction and, of course, we are always happy to talk about additional policy ideas, too. First one, I've heard people talk about doing a sales tax

holiday. Well, sure. That may drive consumer purchasing a bit. I'm not sure it really moves the needle. So, what I would do is actually the opposite. I would say, allow local restaurants that are in need to retain the sales tax collection and have it automatically converted into a cash grant. What these local restaurants need is cash flow. They need to be able to pay their employees. They need to be able to pay their vendors. They need to have money coming in the business so it can go out of the business and this will continue to help spur additional economic activity that hopefully generates additional sales tax revenue. And when it comes to taxes, there are quite a few and we understand that dire fiscal situation the state and the city are hidden, but we also have to understand that dire fiscal situation our local small businesses are in. They are not shut because you didn't like their burger or their service. They are shut because government has mandated they be shut and be unable to generate any revenue or significantly less revenue than they could pre-pandemic. So, now, we need government to step up and help support us financially. And that can be a reduction in property

taxes, which so many small business owners pay, usually through a triple net lease. The commercial rent tax, which is unjust and inequitable, should be repealed, at a minimum right now, on storefront businesses. In the city of New York, restaurants pay an excise tax on their liquor licenses which they don't pay anywhere else throughout the state. So, we should get rid of that. There are some comments about planning coordination and notifying these businesses and I know things are happening in real time and it can be really difficult, but our city agencies need to continue you know and do the best job possible in developing and releasing guidance with as much advanced notice as possible to these business owners so that they can prepare for these changes. And I think it goes to the heart and I don't want [inaudible 1:41:21] Chair Gjonaj is that they are at their wits end. There's all these changes all the time, so we need to inform them about policy changes that may happen so they can decide whether or not it is the investment and the heat lamps that make sense or any types of investment are worth it. And they can only do it by having knowledge and power and that comes obviously from--

SERGEANT-AT-ARMS: Time expired.

ANDREW RIGIE: Just a couple quick things. PPP, I know, is being distributed out to small businesses. I would also suggest that Covid 19 tests can be expedited for restaurant employees, in particular because, if there is one report, you often have to have all of my employees tested and you may have to do that before you can reopen the business again. And I've heard stories of restaurant owners going with their employees and waiting, you know, hours upon hours to get the test. So, if there is a way to even coordinate on-site tests expedited at the business location or somewhere conveniently, that would be helpful. That ownership, the Chair does this well because of the hearings the support he is been providing related to the third-party delivery platforms and that cap has been extremely helpful. The cap on the third party delivery fees. What we don't always talk about is data ownership. Often, the delivery companies and the reservation companies that restaurants rely on to the process these orders of reservations collect the customer data. Their names, their email addresses, phone numbers, address. But those third-party companies retain ownership of



that contact information. Basically, putting the wall between the restaurant and their customers. We need a law that would require any customer data collected by a third-party is also owned by the restaurant. That way they are empowered, especially during the second wave to have that information, market direct delete to their customers, and generate revenue to hopefully keep them in business. Quickly, licensed permits should all automatically redo with no fee. People should not be worried about getting to any agency to renew any permits or licensing in the same for any types of fines. In the city, to their credit, while I know there is a lot of frustration with the inspection process in general, they have been focused on education and training. And I'm not sure how many fines are being issued by city agencies. When it comes to some of the state policies, that is another issue at hand. But we need to focus on education and training as a first and hopefully only process to get compliant, which we appear, has been working and fining only as a last resort and, particularly, if it poses a hazard to workers and to the public. So, with that, I will leave it there. But I just want to thank your

ongoing commitment to the city. I think this city also needs to focus on getting federal policies passed, as well, because at the end of today, we need the Restaurants Act and I want to thank everyone for their time.

CHAIRPERSON GJONAJ: Andrew, thank you for your strong advocacy. Thank you for your passion to protect this a vital-- this industry that is so vital to New York City. I have a question for you.

ANDREW RIGIE: Sure.

CHAIRPERSON GJONAJ: And, by the way, just to respond, I do have the legislation in. It's being drafted on the data. Something we discussed so long ago. I know that we tried to work out some of the issues and I couldn't agree with you more how much more needs to be done. So, continue to look forward to continuing that working relationship with you. But did the city and state to do a good job at notifying nonessential businesses and restaurants located in red and orange zones about their mandated shutdown?

ANDREW RIGIE: You know, I think that is tough. Some people, I think, just watched the news. I think there is so much confusion out there.

I think, to an extent, they have. I think part of the challenge, frankly, is some of the communication. I think maybe the city has email addresses on file for the businesses. Well, you know how your email box goes in sometimes you don't even see it because it goes into spam or junk. You know, I've seen, you know, the city is going out to these neighborhoods to alert businesses. I think, perhaps, giving you the option to collect cell phone numbers so people can send text messages with the information would help get the information to businesses. I tell you additionally specific areas, some in Queens, and I did here in Brooklyn, as well, they didn't even know that there was going to be a shut down. I think part of the confusion comes from, frankly, you know, is it the cities three percent, the states three percent? Was it going to be based on ZIP Code, the shut down or the limitation or is it going to be based on separate geographic map that is being drawn? So, again, I think it is incumbent on all levels of government to coordinate and communicate efficiently through all different types of channels. So, I wouldn't say it was a complete disaster. I wouldn't say that it was perfect. I think there's definitely

more room for improvement and I think part of that is going to be able to figure out how to communicate to all of these different communities with language barriers, etc. quickly. And I think that can certainly continue to be improved.

CHAIRPERSON GJONAJ: Thank you, Andrew. You heard from Tom, which startled me, that, in the event to have a second closure, his estimates were 50 percent of the 6000 restaurants in Queens will not reopen. Is that in line with the numbers that you see from your membership?

ANDREW RIGIE: Absolutely. Tom has been everywhere constantly. You know, he is constantly speaking out there with business owners. He sees what is going on in his neighborhood and it is what we are seeing, you know, throughout the city. Through the Hospitality Alliance, we have been conducting almost monthly you rent survey. The most recent one for the month of October was more than 400-- maybe was 500 different businesses throughout the five boroughs that 88 percent of them were unable to pay any or pay full rent in the month of October. Only one in 10 had been able to renegotiate their leases. And because that is the largest fixed cost,

I think the rent issue is going to determine how many of these businesses permanently shatter. It may have been stated earlier, but certainly worth repeating. The state comptroller listed a report, perhaps, month and 1/2 ago that also found between one third and one half of the city's restaurants and bars could shatter. So, it is absolutely in line with what we are hearing and seeing and that is why it is so important it to enact to these policies and so many others.

CHAIRPERSON GJONAJ: Those estimates were prior to calculating the effects of a second shut down.

ANDREW RIGIE: Correct.

CHAIRPERSON GJONAJ: I don't know if that is going to have a [inaudible 1:48:39]. So, thank you, Andrew. I will continue those. I am looking forward to continuing the dialogue so we can be more helpful and ready for our small businesses. Thank you. Happy holidays to you, as well, and--

ANDREW RIGIE: Thank you. Same to you.

COMMITTEE COUNSEL: Thank you. And I think Tom Grech had a quick comment. Please go ahead.

TOM GRECH: If I may. I didn't want this session to go by because I truly appreciate the dedication of all the electives on this phone call and other folks, and then the Commissioner Doris. One thing that had me have hope early in this thing was when the Mayor announced that the former police Commissioner, JB O'Neill, was going to be coming back from California from his job after he left PD and be like that Covid's are. And that never materialized. I am a voracious reader. I didn't see much about that. But it seems to me now, as we are getting into the second wave and the devastation will be bad. Maybe worse than what it is. What the city does need is a fellow like Ray Kelly. Somebody that is bad experience with the logistics. Somebody that can complement the hard work of all the people in all the different appointed positions in our city to kind of rotten recovery. You know, I hate to bring politics and do it, but who knows who that person would be, but our elected officials, the 51, 52 Council members that we have across the city of New York and I rather appointees and friends, we have got to know somebody that we can put forth in that job took a rotten recovery on a daily basis. Cut through the red tape

with our different agencies who are all trying to pull together, but sometimes the left hand doesn't know what the right hand is doing. I tell you stories about finds in the morning by one department, OKs to go in at noon, and then another set of finds by another department by close of business. So, my pitch would be to find a post-Covid czar to run the entire thing under the guidance of the mayor. Clearly, he's our mayor, love him or hate him, but at the end of the day, it needs to be somebody that can go in there and Marshall resources and get stuff done. That is my pitch.

CHAIRPERSON GJONAJ: Thank you, Tom.

So, you are looking for a commonsense person.

TOM GRECH: I'm looking for somebody that has the ability to marshal resources, get stuff done, to have a chain of command that we fall ON that we get things done with.

CHAIRPERSON GJONAJ: I look forward to that day.

TOM GRECH: Thank you, all.

COMMITTEE COUNSEL: Thank you very much. We will now move on to Kathleen Reilly for her testimony and shall be followed by Vetnah Munassar.

Ms. Reilly, please begin when the sergeant gives you the cue. Thank you.

SERGEANT-AT-ARMS: Time starts now.

KATHLEEN REILLY: Good afternoon, everybody. My name is Kathleen right. I am the New York City government affairs coordinator for the New York State Restaurant Association and we are a trade association representing food and beverage establishments throughout the city and state. Now, more than eight months into the COvid-19 crisis, we are also the representative of one of the really hardest hit industries across the city, which I know has already been noted a few times throughout the testimony today. So we're here today to discuss prevention of business closures and a second wave of Covid-19. It appears that we're already experiencing that wave and, unfortunately, NYSRA expects the restaurant industry will see business closures as a result. That is what everyone's numbers already given out today suggests and what we are seeing and hearing, as well. The most straightforward thing that our businesses need to prevent closure is financial support and that is significant financial support, all significant enough to allow them to keep



their businesses alive even as their hours are reduced, even as on-site consumption is either reduced or eliminated. We know we are talking about a large investment in the restaurant industry and likely one that can only take place at the federal level. And we, along with our partners at the National Restaurant Association, have been active in advocating for the restaurants act and additional PPP funds. We understand that New York City Council can't necessarily single-handedly deliver those asks, but we do ask that, to the extent our city leaders can be vocal on this issue and collaborate with state and federal leadership to advocate for relief, that would be a great help to the restaurant industry and we hope that it is something we hope you will consider really embracing. Other area as that we would like to just briefly touch on today. To the extent the city is able to help broker rent relief or provide incentives for lease renegotiation, we know that is been very difficult for many of our members, even in cases where common sense suggests their landlords really would be able to bring in another active tenant, they are still having a really hard time negotiating when it is just person to person.

So, if there were a way that the city could help provide incentives for lease renegotiations or rent relief. Either one of those would be a really major impact. A focus, as had been mentioned already on education-based enforcement for departments around the city-- and I know that some are already doing that. I know the Department of Health is already doing that. But just to keep that approach around for the foreseeable future, as long as it is that these businesses are really suffering, that is been very helpful approach and we hope that it will continue. Delaying or eliminating taxes and fees wherever possible. I know a whole laundry list of taxes have already been mentioned today. One in particular that we had heard concerned about from our members was about rent tax and how business is subject to rent tax are being asked to pay based on their full rent even if they paid rent to their, unless it has been formally forgiven or reduced by the landlord. And just given the ongoing nature of this crisis, there are plenty of businesses who are still in the middle of negotiating or going back and forth with their landlords don't have a formal forgiveness, but also realistically are going to be a

full rent. They just simply cannot afford it. So, asking for a tax on a transaction that has not occurred and the attendants can afford to pay it is really strenuous for them. Another thing that I-- it is possible that I've missed, but I haven't seen anything about it. The adjacent property usage for open restaurants. It was announced as part of the plan to extend the open restaurants program. Last I checked on the DOT website, it says that something would be forthcoming to formalize how you could go about using adjacent property and getting the SLA on board with that. It doesn't seem like it has come together just yet, so if we could expedite that, that would be great. I know that, as the weather gets colder, it is more and more difficult to get really good usage out of the outdoor spaces, so time is of the essence, really, in terms of getting whatever nice days left we have in the season. Last, but not least, and I would like to mention it would be sort of indirectly helpful, I would say, the vast majority of our contact tracing is coming up with an indeterminate because of where somebody is picked up Covid. I think it said somewhere around 80 percent they were not sure where it came from. It given that

certain industries or certain operations or certain hours are being targeted as the likely cause or a potential risky place that people might be getting Covid, what we really just need is data backed up policy. Policy that is founded in our data that is specific to New York City, that is specific to the way that the requirements that we have to run our restaurants under, that we have to run our bars under. We just need to know are the cases actually coming from there or not? And, if they are not--

SERGEANT-AT-ARMS: Time expired.

KATHLEEN REILLY: Thank you. Basically, the end of the day, if the limitations that we are putting in place are not founded in data, then they might not wind up being helpful to the public out, but they will absolutely damage the businesses that they are targeting. So, to the extent the city is able to sort of better pinpoint where these cases are coming from, that would also be very helpful. Again, thank you so much to the committee for holding this hearing. At the end of the day, doing everything we can't to say restaurants matters, not just because they represent livelihoods, family legacies, major personal investments by the

operators, but because they are such important job providers for this city, which I know all of you are well aware of. So, thank you for considering this topic today and thank you for taking the time to hear our testimony.

CHAIRPERSON GJONAJ: Thank you, Kathleen. I'm going to ask you the same question. Would a second wave shut down, what are your estimates, based on the surveys that you have received that restaurants are about to go out of business statewide?

KATHLEEN REILLY: I would say that they are in line with what also is been shared today. Honestly, people's predictions earlier on have been just as dire, if not more dire. Some of them have been able to hold on through this more optimistic fall that we had. The of the summer and fall that we had. But with a second shut down, I think people are really just at their wits end because they feel like they have sort of left it all up on the field up until now and so, if they have to then close their doors again, or being stuck with doing to get a delivery again, they're just not sure how it is that

2 you can possibly make it through the winter in that  
3 scenario.

4 CHAIRPERSON GJONAJ: Kathleen, since I  
5 don't the number statewide-- it doesn't come to my  
6 ear and mind. Restaurants, what the number  
7 statewide?

8 KATHLEEN REILLY: The full number of  
9 restaurants statewide?

10 CHAIRPERSON GJONAJ: Yes.

11 KATHLEEN REILLY: I think it is somewhere  
12 around 50,000 because I remember New York City having  
13 about half of the state's restaurants, but I can  
14 check for specific number for you. I don't have it  
15 right in front of me.

16 CHAIRPERSON GJONAJ: I'm just trying to  
17 put things in perspective.

18 KATHLEEN REILLY: Sure.

19 CHAIRPERSON GJONAJ: That would be  
20 devastating.

21 KATHLEEN REILLY: Yeah.

22 CHAIRPERSON GJONAJ: 50,000 businesses.  
23 If we were half of them, that is going to have a real  
24 impact on the future of the city and will create  
25 economic devastation for the tax base of the city and

the state. That was the point that I was trying to make. Thank you, Kathleen. Thank you for your hard work and wishing you and your family all the blessings of this holiday season.

KATHLEEN REILLY: You, too, Council member.

COMMITTEE COUNSEL: Thank you. We will next hear from Vetnah Munissar followed by Karen Narefsky. Ms. Munassar, please begin once the sergeant gives you the cue. Thank you.

VETNAH MUNASSAR: I am the Yemen American Merchants Association called YAMA. It's a nonprofit collective working for the betterment of local Yemeni American merchants through education, business, and social services. On behalf of our membership, we would like to thank that Chairman and chair members for us submitting our testimony today. YAMA is an organization that is dedicated to elevate, educate, and advocate for Yemeni American merchants to support bodega owners and workers. We represent 3000 of the 12,000 bodegas in New York City and 15,000 bodega workers across five boroughs. Our members are bodega owners, like all small businesses, have been hit hard by the Covid 19 pandemic. As designated essential

business is, or operations have slowed with the drop in customers leading to fewer worker hours and needing to reduce worker shifts of the frequent and stay afloat. Unfortunately, the economic aid coming into our bodegas is not the same as a typical small business. We request that our partners in the city government provide guidance for our membership base to access aide during the second wave of this pandemic. Many immigrants owned small business and cannot afford to pay the traditional accountant and closely payroll services for their small numbers of employees. This manage is their business in traditional ways accounting for businesses, operations through pen and notebook by their booking. The current loan, being offered by the US small business administration, SBA, such as coronavirus aide relief, economic security cares, and the paycheck protection program and healthcare enhancement act requires a high level of payroll accounting does not align with the business operations for the bodegas in New York City. Recently, YAMA conducted a survey amongst its members in order to have a holistic view of financial assistance needed and how we, as an organization, can



propel our small businesses as we recover from Covid 19. We surveyed 50 members who reached out for assistance supply from the SBA loan. Out of the 50, only 10 were qualified for the SBA loan. We found the remaining 40 businesses did not have professional payroll system, thus could not provide the required documents. This has been a really difficult experience navigating the pandemic unemployment insurance application because of the language and technology barrier. The majority of bodega owners and workers are Yemeni descent and, therefore, there is a language barrier speaking Arabic, especially with a Yemeni dialect. Our members that run bodegas are cornerstones of their community. Our member businesses have continued to operate during the pandemic to ensure the members of our community have an access to basic necessities as toiletries, masks, and cleaning products, food and water, etc. Bodegas provide a sense of convenience to its customers who wish to stay close to home while they are also avoiding busy, busy supermarkets. In this time of our national health crisis, loans should be available to all of our small business bodega owners who are in good financial standing. Local immigrant businesses

should not be disadvantaged for the sole reason they do not meet the administrative requirements that is unrelated to their standing as good business operators. YAMA is proud to continue our advocacy efforts on behalf of our small businesses during this time. Now, more than ever, we need our partners in the government to work alongside of our members to ensure small businesses owned by minority owners are given the necessary tools to keep their businesses open. We recommend the following of the small business committee: an act providing rent relief for 90 days as did the state for residents. Secondly, providing financial assistance with minimal requirements. Last spring, immigrant run small businesses were shut out of the relief because of the list of requirements. And, lastly, providing small business grants to purchase refrigerators that are is energy-efficient to lower electrical bills using soda, sugar tax as they did in California. And, again, I would like to thank you, the city Council, for allowing us to provide testimony on behalf of our over 3000 and Yemeni bodega owners in New York City. We look forward to working alongside you in the near future. Thank you.

CHAIRPERSON GJONAJ: I want to thank you so much for testifying today. I am very familiar with the work of your Association, YAMA, and the Yemeni community, which I enjoy and have the privilege and honor of representing. I have a large Yemeni community that lives in my [inaudible 02:03:49] home in my district and we are very proud of the hard work. You summed it up so well. The bodega industry, in particular, has not received the attention. You can't market your products online. You don't benefit from third party food delivery apps. Your business model is on side streets where it is convenient for someone to stop by for the miscellaneous items. Things they may have forgotten to pick up while they were out for things they needed in case of an emergency. You are open 24 hours a day and I couldn't agree with you more on how overlooked your industry. And this is your entire gamut of bodegas. I put in, just so you know, and I know that you are aware this, Junior's Law where was supposed to provide the security to all of our bodegas in the event of a tragedy that could've helped prevent that tragedy or a future tragedy does where there is a security [inaudible 02:04:53] that immediately

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2 notifies law enforcement of an incident, as well as  
3 an outdoor siren and light that advises the community  
4 that something is going on indoors. Secondly, I put  
5 in for a PPE and testing [inaudible 02:05:08].  
6 Bodegas need that assistance. They need free PPE.  
7 That doesn't just include masks. That means the  
8 closures that are needed to be put in place to  
9 prevent or comply with the social distancing and  
10 spread of Covid. So I am grateful to you and thank  
11 you for being a part of it. I will continue to be a  
12 strong advocate for your industry and I'm grateful to  
13 the Yemeni community for their hard work and  
14 contributions to this city. It has not gone  
15 unnoticed.

16 VETNAH MUNASSAR: Thank you, Chairman. I  
17 appreciate your work.

18 COMMITTEE COUNSEL: Thank you very  
19 much. We will now hear from Karen Narefsky was our  
20 last registered panelists. Then you may begin when  
21 the sergeant gives you the cue. Thank you.

22 SERGEANT-AT-ARMS: Time starts now.

23 KAREN NAREFSKY: Thank you so much, Chair  
24 Gjonaj, and members of the small business committee.  
25 Happy to testify today. My name is Karen Narefsky.

I am the senior organizer for Equitable Economic Developments at ANHD, the Association for Neighborhood and Housing Development and we are working to build community power with our more than 80 neighborhood based member organizations across New York City. As part of our work, we also convened the United for Small Business New York City Coalition, which is a coalition of community organizations across the city fighting to protect small businesses from the threat of displacement. And, as you all know, businesses in these communities were really vulnerable even before the pandemic and it has been, obviously, very frustrating to many of our members and the businesses that we work with to see the lack of resources that are in place and no lack of really comprehensive policies to deal with the impact of the pandemic. And our experience from the businesses that we work with throughout the city is that rents are the biggest threat to small businesses in the biggest impediment to their eventual recovery. So, we know that some businesses have been able to negotiate short-term compromises with their landlord, but some have just negotiated waiting. And will be expected to pay months of back rent. We know that

many property owners were omitted because they also have mortgages to pay. So, we understand that this is a major challenge and we think that rent relief is really a critical issue. I was glad to hear Kathleen mentioned that in her testimony, as well. So, we know, obviously, that there are budget constraints at the city level. We know that there has been an action at the federal level, but we would also ask that those committee and the administration to look at what is happening at the state level. There is a very promising bill, state Senate Bill 8865, Assembly Bill 10901, which is sponsored by Senator Brad Hoylman and Assembly member Harvey Epstein, which would provide a partial rent abatement to impacted commercial tenants, along with reimbursement for impacted landlords. So, this is similar to the model that the MTA just implemented for its commercial tenants in Grand Central and other areas and we think this is-- you know, rather than expecting small businesses to bear the entire financial burden of the pandemic, we think that this is a more equitable approach that allows small businesses, property owners, and the government to share in the financial burden. So, we would encourage the Council to work

with state legislators to help pass this, perhaps passing a resolution in support, and working towards real rent relief. In the longer term, there is already legislation pending in the Council that could help our independent small business sector. I know that we really focus during this hearing on the second wave that we are in right now what I think it is help all rather than saying if we had a second wave, we should just acknowledge that we are in that you second wave and we should be-- we hope that it-- you know, we can hope that we don't enter a red zone or orange zone, but we should act as though we are there and provide the resources that small businesses will need. So, the two pieces of legislation that I wanted to mention our Intro 1796. This is actually a long-term piece of legislation that would provide commercial rent regulation and, while it may seem strange to talk about long-term legislation when we are in the middle of an urgent crisis, that we know that there are predatory actors and unscrupulous speculators who are waiting for small businesses to shut down, scoop up that real estate, and then consolidate it for profit. We saw this. The 2008 financial crisis is. We know that this is happening

now and we want to make sure that rents don't continue to escalate for the businesses who are able to make it through this crisis due to the support from the government and other sources. So, we would ask that the Chair schedule a hearing for this bill, for Intro 1796 and move it forward before the session is over. And also to support an important bill that is not in this committee, but Intro 1116 which is an important step for some of the city's smallest businesses, street vendors. That is the Committee on Consumer Affairs. But we would ask members of this committee to support it and help it passed as soon as possible. As I said, those are our cities smallest businesses and many of them have received no support. And, finally, we are very pleased that the administration and SBS were able to reinstate the Commercial Lease Assistance Program and we hope that they are moving swiftly to enact new grant and loan programs as has been mentioned. We are hoping to avoid some of the problems that came up with the grant and loan programs in the screen and we really--

SERGEANT-AT-ARMS: Time expired.

KAREN NAREFSKY: want to emphasize the need for language accessibility and the applications



for those programs to speak to the point that Vetnah Munassar just mentioned, that the applications should be accessible to businesses who calculate their payroll and expenses in a variety of different ways and that they should be distributed equitably to ensure that all areas of the city are benefiting. Thank you, again. And happy to answer any questions.

CHAIRPERSON GJONAJ: Karen, I want to thank you for your testimony and your patience. Your input is valuable and I agree with you. We need to be proactive and not reactive. We shouldn't wait for devastation to figure out how to help. We should be addressing the scenarios before and I agree that we should be looking at those as we are in a second phase and what that means. My questions-- How many members do you have, Karen? Like represent. How many small businesses?

KAREN NAREFSKY: So, we-- our membership for United for Small Business New York City Coalition is actually made up of organizations that work with different businesses. So we have about 15 different member organizations and each of those groups works with additional businesses throughout the city. So some of our members are community-based groups like

WEDCO in the Bronx or Chaya CDC in Queens that work with hundreds of businesses throughout their catchment areas. Some of them are legal services providers who may have supported small businesses. I believe that in the last few years, they have supported 1000 businesses through the commercial lease assistance program. So we really are getting a sampling of a lot of different business experiences throughout the city.

CHAIRPERSON GJONAJ: Thank you, Karen.

And the reason I ask you is if we do have a wave shut down, do you have any estimates on the number of businesses through the feedback you're getting that will not survive and close? We heard from several of those that testified that the number is roughly 50 percent in the hospitality, the restaurant business.

KAREN NAREFSKY: Uh-hm.

CHAIRPERSON GJONAJ: I was hoping to hear from you if you knew or had any gauge or estimation.

KAREN NAREFSKY: So, it's actually kind of challenging to make those estimations. I would say I don't disagree with some of the estimates that I have heard from other panelists today. You know,

the businesses that we work with are seeing losses in revenue from 50 percent all the way up to 100 percent. And so, I think, depending on what the second wave looks like and what resources are available, I think, you know, 50 percent is a reasonable estimate. It's hard to know without additional information about exactly where businesses are right now.

CHAIRPERSON GJONAJ: Thank you, Karen. Thank you for the work that you are doing and testifying today. [Inaudible 2:14:02] and for your family healthy and really safe holiday. Stay in touch others as we move forward and try to address these challenging times. It is going to address city, state, and federal and I don't think we have [inaudible 02:14:15] between all three branches of government. I do agree with you and I think you agree with my statement that the city needs to have its own program in place now informing our small businesses what they should expect in the form of aide and assistance ahead of a closure. Let's not wait for the closure to happen and then for those to scramble and find out what resources are available. So thank you, Karen.

KAREN NAREFSKY: Thank you. , As well, and some of the matters that the panel was brought up today.

CHAIRPERSON GJONAJ: Thank you. Stay in tune. Committee, I think that was the last testifier?

COMMITTEE COUNSEL: Yes, Chair. Thank you. Just in case if we have inadvertently missed anyone who was registered to testify today and has not yet been called, please use the zoom raise hand function and I will call on you if you do so. Seeing none at this point, [inaudible 02:15:15] you, Chair Gjonaj, to adjourn the hearing the call for any closing remarks. Thank you.

CHAIRPERSON GJONAJ: Thank you, Steve. And I want to thank all those that participated and listened in on today's hearing. I'm looking forward to working with all of our stakeholders to address the challenges that we have. Certainly, things are going to be to our small business. So, I am thankful to will have you for your input and your participation and we're going to be pressing this administration, as well as the other branches of government, to do their part to be there for our

2 small businesses. When they go, there goes our city,  
3 there goes our state and we need our businesses to  
4 stay open and we need to do more. So this will  
5 conclude our small business hearing. Thank you.

6 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 13, 2020