

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON SMALL BUSINESS
JOINTLY WITH TECHNOLOGY

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October 30, 2020
Start: 1:02 p.m.
Recess: 3:17 p.m.

HELD AT: Remote Hearing

B E F O R E: Mark Gjonaj
Chairperson, Small Business

Robert F. Holden, Technology

COUNCIL MEMBERS: Mark Gjonaj
Stephen T. Levin
Bill Perkins
Carlina Rivera
Helen K. Rosenthal

Robert F. Holden
Costa G. Constantinides
Peter A. Koo
Brad S. Lander
Eric A. Ulrich
Paul Vallone
Kalman Yeger

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

Donald Giampietro
Assistant Commissioner of Small Business
Incentives and Business Resiliency
Department of Small Business Services

Edward Ubiera
Assistant Commissioner of Business
Programs
Department of Small Business Services

Gary Johnson
Director of Strategy and Inclusive
Entrepreneurship
Mayor's Office of the Chief Technology
Officer

Clayton Banks

Jessica Walker

Ryan Naples

Michael Brady

Noel Hidalgo

Albert Kahn

Helen Kogan

Nicole Kahn

Guy Yedwab

3 SERGEANT AT ARMS: PC recording started.

4 SERGEANT AT ARMS: Cloud recording
5 started as well.

6 SERGEANT AT ARMS DAUTAJ: OK, we're just
7 going to wait for Chair Gjonaj. Are you ready,
8 Council Member Gjonaj, Chair?

9 CHAIRPERSON GJONAJ: I am, but I'm
10 seeing, I'm not sure why I have the New York City
11 Council [inaudible] in my background. It was
12 dominating the screen.

13 SERGEANT AT ARMS DAUTAJ: Um, I'm having
14 trouble hearing him. Is anyone else having trouble
15 hearing?

16 CHAIRPERSON GJONAJ: Can you hear me now?

17 SERGEANT AT ARMS DAUTAJ: Yes.

18 CHAIRPERSON GJONAJ: You can? OK, good.

19 CHAIRPERSON HOLDEN: Mark, just go, go on
20 top of the, where it says the view, put, put the,
21 change the view that you have. You might have
22 speaker view.

23 CHAIRPERSON GJONAJ: Oh, it changed by
24 itself, hold on a second.

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2 SERGEANT AT ARMS DAUTAJ: Mine did the
3 same thing, Chair Gjonaj. You just got to go to
4 speaker view and click it. There's a small little
5 box you click, go back.

6 CHAIRPERSON HOLDEN: Go to the right,
7 upper right.

8 CHAIRPERSON GJONAJ: I got it.

9 SERGEANT AT ARMS DAUTAJ: RJ, you can
10 begin with your speech when you're ready.

11 SERGEANT AT ARMS POLITE: Good morning,
12 and welcome to the remote hearing on Small Business
13 jointly with the Committee on Technology. Will all
14 council members and staff please turn on their videos
15 at this time. Thank you. To minimize disruptions,
16 please place all cell phones and electronics to
17 vibrate. Also, you may send your testimony at
18 testimony@council.nyc.gov. That's
19 testimony@council.nyc.gov. Chair, we are ready to
20 begin.

21 CHAIRPERSON GJONAJ: Thank you. [gavel]
22 Good afternoon. I'm Council Member Mark Gjonaj,
23 chair of the Committee on Small Business. I'd like
24 to welcome you to our joint hearing today on how
25 technology can boost small businesses during this

2 pandemic. I'd like to start by thanking my colleague
3 and friend, Chair Holden, for chairing this hearing
4 with me today. Small businesses across the city are
5 struggling right now. The COVID-19 crisis has caused
6 thousands of businesses to close permanently.

7 According to the latest report by the city
8 comptroller, small business revenues have dropped by
9 25% since January. In early April small businesses
10 were experiencing a drop in revenue of over 60%. As
11 small businesses are grappling with decreased
12 revenue, many small businesses have been unable to
13 pay rent. A recent survey by the Hospitality
14 Alliance found that 87% of respondents have not paid
15 their full August rent. Our small businesses are
16 experiencing massive decline in revenue. Thousands
17 of small businesses have closed in New York.

18 According to the city comptroller's report, at least
19 2800 small businesses closed permanently between
20 March 1 and July 10. Partnership for New York City
21 predicts that as many as a third of the 230,000 small
22 businesses in New York City may never reopen. The
23 pandemic has also caused small businesses to rapidly
24 change with business models to reflect the new
25 consumer preferences and expectations. Mainly the

2 digitalization of the economy has forced small
3 businesses to develop web sites, marketing of e-
4 commerce models. Those small businesses have been
5 unable to afford the new technology innovations or
6 lack the know-how of the [inaudible] new systems and
7 are at a competitive disadvantage. The [inaudible]
8 delivery, cloud and service security firm reported
9 that there was a greater than 50% increase in daily
10 online traffic from an average day prior to COVID-19.
11 The [inaudible] report from the Digital Economy found
12 the total online spending in May was up by 77% year
13 over year. [inaudible] according to [inaudible] we
14 are seeing signs of the online purchasing trends
15 [inaudible] during the pandemic by [inaudible]
16 permanent adoption. A recent report by the Department
17 of Commerce similarly found that more than one dollar
18 of every five was spent online in quarter two of
19 2020, the highest e-commerce penetration of any
20 quarter [inaudible] on record. As online sales
21 [inaudible] greater aspect of the consumer shopping
22 experience, however, certain mom and pop shops
23 without an online presence may face difficulty
24 remaining competitive. This change in consumer
25 shopping preferences have also disproportionately

2 impacted immigrant-owned businesses and family-owned
3 mom and pop shops who are less flexible to change.
4 While take-out has historically a staple for
5 restaurants in Chinatown, for example, participating
6 on third-party delivery platforms are much less
7 common. As an immigrant- and minority-owned
8 businesses tend to be under-capitalized, operations
9 with a smaller financial [inaudible] mainly have less
10 of an ability to spend money and time to develop a
11 strong online market presence. Consumer preferences
12 for digital shopping will not change. So businesses
13 will adapt or die without the necessary financial
14 resources to evolve their business. However, the
15 small business community may look to the government
16 for help. I look forward to hearing about the
17 administration's to ensure that all small businesses
18 have access to resources necessary to remain
19 competitive and resilient during this period. While
20 I understand and am sympathetic to the stark budget
21 that this city faces, the [inaudible] private
22 communicate companies have offered resources to small
23 businesses. I hope the city has the same [inaudible]
24 and the [inaudible] the department partnerships to
25 give our small businesses a fighting chance. With

2 that said, I'd like to thank my chief of staff,
3 Reggie Johnson, legislative aide Austin Sacher, our
4 senior legislative counsel, Christopher Sartori, our
5 policy analyst Noah Metzler, our finance analyst
6 Maria Ari, for all their hard work in preparing for
7 this hearing. Before I turn it over to my colleague,
8 I just want to say we are looking at financial
9 straits and devastation for all of our small
10 businesses. And all we've heard up until now is
11 we're waiting on the federal government or the state
12 to come to our aid. Our small businesses cannot rely
13 on promises that may never come to fruition. We owe
14 it to our small businesses to come with creative ways
15 to keep them in business. Whether that's done by
16 lowering their expenses through [inaudible] sales or
17 providing grant and loans that will keep them afloat,
18 it's going to be the priority of this council to work
19 with this administration to find ways to help these
20 small businesses survive so that they can thrive in
21 the future. With that being said, I'd like to turn
22 it over to Council Member Holden to give an opening
23 statement. Council Member.

24 CHAIRPERSON HOLDEN: Thank you, and good
25 afternoon. I am Council Member Robert Holden, chair

2 of the Committee on Technology, and I'm pleased to
3 join the Committee on Small Business, chaired by my
4 good friend from the Bronx, Council Member Gjonaj.
5 And thank you all for attending today's hearing. Ah,
6 today we will be focusing on the challenges that
7 small businesses face in New York City during this
8 pandemic and how technology can be leveraged to
9 assist these businesses as they adapt to this new
10 reality. Ah, our small businesses, ah, like Mark
11 Gjonaj said, are suffering during this pandemic. Mom
12 and pop shops are vital to the economy of the city
13 and crucial to the lives of hundreds of thousands of
14 New Yorkers that own, work, and patronize these
15 establishments. With more than 230,000 small
16 businesses, New York City is home to the country's
17 most small businesses and the highest number of
18 minority-owned businesses. So, you know, the
19 coronavirus has forced many small businesses to close
20 down and many of them, unfortunately, for good.
21 Others have been forced to find ways to safely reopen
22 and transition to the digital marketplace to even
23 stay afloat. We are witnessing our economy and
24 society undergo a digital transition. What was
25 previously a more gradual change has been shocked

2 into the immediacy. Online interactions become the
3 norm to minimize physical exposure and, obviously,
4 and potential transmission of the COVID-19. In a
5 2020 report McKinzie and Company found that small
6 businesses did not have the financial capital
7 necessary to effectively establish an online
8 presence, even before the coronavirus brought about
9 this shock. Additionally, the pandemic's effects
10 mean that small businesses now have to rely on
11 technological assistance to form, to continue to
12 operate. Ah, technical assistance for small
13 businesses can come in many forms, from conducting
14 sales to combating the coronavirus. For example,
15 restaurants can use food order and delivery, delivery
16 apps to facilitate take-out and use quick response
17 codes, otherwise known as QR codes, to replace
18 physical menus. At the same time, small businesses
19 can convert their website for online transition,
20 transactions, and incorporate QR codes or other forms
21 of contactless payment. Technology can also be used
22 to combat the coronavirus through innovative
23 solutions like utilizing contactless and implementing
24 disinfecting methods like UVC lighting, ah, hands-
25 free sanitizer stations, bipolar ionization,

2 electrostatic sprayers, and others. However, small
3 business owners must be protected when seeking to
4 implement tech solutions, especially over cyberspace.
5 The COVID-19 pandemic has already led to increase in
6 cyber attacks as a whole, as the entire, as entire
7 sectors of the economy were forced to move online and
8 the Verizon business 2020 data breach investigations
9 found, the report found that small businesses made up
10 almost one-third of all data breaches in 2020. And
11 that's quite shocking. Ah, so even before the
12 pandemic the [inaudible] Institute found that only
13 14% of small- to medium-size businesses were
14 sufficiently prepared to defend against a cyber
15 attack. Additionally, small businesses must be
16 safeguarded against the potential for online services
17 to collect their data and violate their privacy. As
18 the coronavirus forces small businesses to establish
19 an online presence it is vital that they be protected
20 against cyber security risks. However, small
21 businesses should not be expected to find these
22 solutions alone and not only are they are already
23 hurting financially, as we know, ah, from the COVID-
24 19-induced dip in revenue, ah, but incorporating
25 technology requires specialized knowledge that small

2 business owners may not have. This extends into
3 areas like ensuring small businesses can be resilient
4 against cyber attacks and understand how to manage an
5 online presence most effectively. As such, the city,
6 New York City, must find ways to connect these small
7 businesses to the tech assistance necessary to thrive
8 in this new world. We intend to hear the challenges
9 faced by small businesses during this pandemic and
10 how the city can better assist in adapting this to
11 the new reality. Ah, we wish to work together with
12 the administration on this critical issue and look
13 forward to hearing valuable testimony from the
14 administration, small businesses, experts, and
15 advocates. And I would just also like to thank our
16 technology committee staff, Counsel Irene Wahavski,
17 policy analyst Charles Kim, financial analyst
18 Florentine Gabor, and also my chief of staff, Daniel
19 Casina, and communications director Kevin Ryan, for
20 their hard work in preparing for this hearing. Ah,
21 I'd like to recognize council members who are
22 present. Ah, Council Member Constantinides, Council
23 Member Perkins, ah, Council Member Lander, ah,
24 Council Member Rosenthal, Council Member Yeger,
25 Council Member Rodriguez, and Council Member Koo.

2 Ah, did I get everybody? We're good? OK. I'd like
3 to turn it over, back over to my, to the chair, ah,
4 Councilman Gjonaj.

5 CHAIRPERSON GJONAJ: Thank you so much,
6 ah, my dear friend. [inaudible] if we missed anyone
7 I'm sure that someone will [inaudible]. Did you call
8 out Council Member Rosenthal?

9 CHAIRPERSON HOLDEN: Yes.

10 CHAIRPERSON GJONAJ: With that being
11 said, I'm looking forward to this hearing and the
12 work that we have ahead of us. Ah, and we're looking
13 forward to hearing from the public as to what we're
14 going to be needing to do to helping businesses
15 survive. And, Chair Holden, I couldn't agree with
16 you more. These businesses have been shut down, not
17 due to their own, ah, business models, but have been
18 forced out of business and COVID-19 may be the final
19 nail in their coffin, ah, to ensure the needed
20 changes, e-commerce, big bucks for competition, ah,
21 of COVID-19. We may be looking at a new small
22 business world and [inaudible] the signs, the writing
23 on the wall shows that that [inaudible]. So I'd like
24 to turn it over to the moderator, Committee Counsel

2 Christopher Sartori, to go over some procedural
3 items.

4 COMMITTEE COUNSEL: Thank you, Chair
5 Gjonaj. And just to note, Council Member Vallone has
6 also joined us. I'm Chris Sartori. I'm the senior
7 counsel to the Committee on Small Business and I will
8 be moderating this hearing. Before we begin, I'd
9 like to remind everyone that you'll be on mute until
10 you are called on to testify, at which point you will
11 be unmuted by the host. During the hearing I'll be
12 calling on panelists to testify, so please listen for
13 your name to be called, as I will periodically be
14 announcing who the next panelists will be. We will
15 first be hearing testimony from the administration,
16 followed by testimony from members of the public.
17 During the hearing if council members would like to
18 ask questions of the administration or of a specific
19 panelist, please use the Zoom raise hand function and
20 I will call on you in order. We will be limiting to
21 council member questions to five minutes, which
22 includes the time it takes to answer those questions.
23 Also please note that all panelists, aside from those
24 from the Department of Small Business Services and
25 the Office of the Chief Technology Officer will be

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2 limited to a three-minute time limit, so that we may
3 more easily accommodate all who have registered to
4 speak. When called on to testify please state your
5 name and the organization you represent, if any. We
6 will soon call on members of the administration to
7 testify. We'll be hearing testimony from Donald
8 Giampietro, assistant commissioner of small business
9 incentives and business resiliency at the Department
10 of Small Business Services, Edward Ubiera, assistant
11 commissioner of business programs at the Department
12 of Small Business Services, and Gary Johnson,
13 director of strategy and inclusive entrepreneur at
14 the Mayor's Office of the Chief Technology Officer,
15 will also be present to answer any questions. At
16 this time I will administer the affirmation to each
17 representative of the administration. I will call on
18 each of you individually for a response. At this
19 time I'd ask you to please raise your right hands.
20 Do you affirm to tell the truth, the whole truth, and
21 nothing but the truth before these committees and to
22 respond to council member questions honestly?

23 ASSISTANT COMMISSIONER GIAMPIETRO?

24 ASSISTANT COMMISSIONER GIAMPIETRO: Yes.

25 COMMITTEE COUNSEL: Commissioner Ubiera?

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2 COMMISSIONER UBIERA: Yes.

3 COMMITTEE COUNSEL: Director Johnson?

4 DIRECTOR JOHNSON: Yes.

5 COMMITTEE COUNSEL: Thank you. At this
6 time I will invite Assistant Commissioner Giampietro
7 to present his testimony.

8 ASSISTANT COMMISSIONER GIAMPIETRO: Thank
9 you. And thank you, ah, Chair, Chairman. Um, good
10 afternoon Chair Gjonaj and Chair Holden, and members
11 of the Committee on Small Business and Technology.

12 My name is Donald Giampietro, assistant commissioner
13 at the New York City Department of Small Business
14 Services, SBS. I'm accompanied by, as stated, Gary
15 Johnson, director of strategy and operations at the
16 Mayor's Office of the Chief Technology Officer. And
17 I'm also joined by Edward Ubiera, assistant
18 commissioner of business programs at SBS. I hope
19 that each of you will really truly and your loved
20 ones are staying safe and healthy during, during
21 these difficult times and that we're all staying
22 safe. And it is a pleasure, and my pleasure, to
23 testify before the City Council today on how
24 technology, as stated by both the chairpersons, can
25 assist small businesses during this pandemic, and

2 with our partners in service at MOCDOC and other
3 agencies. The New York City Department of Small
4 Business Services helps unlock economic potential and
5 create economic security for all New Yorkers, as many
6 of you know, by connecting New Yorkers to good jobs,
7 creating strong businesses, and building thriving
8 neighborhoods across the five boroughs. And we
9 realize that, you know, some neighborhoods are more
10 in need and have more resources, ah, than others. On
11 the outset of the pandemic we worked quickly and
12 swiftly, especially [inaudible] ensure that our
13 physical, um, New York City business solutions and
14 Workforce One centers continued during this time to
15 offer services remotely, to actually upgrade our own
16 technologies to continue this. Ah, as the city and
17 as a nation, as we know, we quickly learned of the
18 importance of navigating and utilizing technology to,
19 you know, basically ensure the continuation of
20 services and program production, and programs. It
21 is, it was necessary. It was vital. SBS, you know,
22 again, worked quickly to ensure to isolate to see
23 where the gaps were and continue to do so, and
24 services and reimagine and redeploy and redevelop our
25 service delivery system to maintain what we did

3 that's effective and to see from feedback from the
4 council and from others where we could it make it
5 more robust. We did this expeditiously and
6 effectively to provide assets to our small businesses
7 and actually job seekers, and that continues as well,
8 as we all know, if not more. Our centers actually
9 immediately started, you know, it almost seamless,
10 providing services remotely online and over the
11 phone. Funny, we've almost reverted back to
12 telephones again, ah, to continue many of the
13 services. We quickly expanded our online business
14 course offerings to meet relevant challenges and the
15 changing challenges facing the small business owners,
16 you know, and workers, and helped them take part
17 actually in the e-commerce that had been mentioned
18 earlier. For example, we have our portfolio programs
19 where we gear more now towards the e-commerce and
20 trying to target those that were less likely to enact
21 this. We have Google Analytics to improve and
22 maximize website results and programs such as
23 Building Your Own Business website, and many more.
24 And also these are always very mindful of the
25 financial dynamic that different companies have when
doing this in [inaudible]. To date, SBS has hosted

2 217 webinars, connecting over 48,000 attendees for
3 our virtual services since March. We've gone full
4 throttle. Um, businesses needed guidance and
5 understanding never, and ever-changing regulations,
6 new toolkit and new toolkits, ah, evolving dynamics
7 in what, in what they could do and what they could
8 not do, ah, on the local state level, and we created
9 and continue, and you have these, but we made them
10 more robust, plain language resource guides in
11 multiple languages for each industry and we tailored
12 it as best we can when the commissioner does walking
13 tours with some of our dedicated staff, even in this
14 situation, go out to communities to ensure that it's
15 digestible to the point and in languages and dialects
16 that are understandable. Ah, we want to make sure
17 this information is easily accessible online also via
18 the website and finding the trigger, so when they
19 have terms that are of interest to them they could
20 actually bring them and jettison them to the areas on
21 the site that are necessary. And when we need to
22 from the council or others we then learn and we'll
23 revise. We offer information not only online but
24 also understood that businesses needed direct line of
25 contact to help answer and navigate information. My

2 colleague, Edward, was involved in this, ah,
3 tremendously and continues. To that end, we launched
4 an SBS hotline, ah, which has now received over
5 43,000 calls, assisting businesses to navigate new
6 regulations and reopening phases. And we trained and
7 took some of the existing staff with their skill
8 sets, modeled a mechanism to provide explicit answers
9 to some of the questions, obtain feedback as to what
10 cluster questions and new concerns there are, and
11 find answers for that, which then could be
12 incorporated into the hotline responses. And we
13 connected 4300 small businesses to over 78 million
14 dollars in local, state, and philanthropic funding.
15 So even in a time of this situation where we know,
16 and we're not going to make excuses, we can't wait
17 for money to come from everywhere, but utilizing the
18 resources that exist, reprioritizing, maximizing, and
19 making where we can the opportunities robust and
20 connecting where we can, effectively, efficiently,
21 mindful of the new needs. Moreover, SBS has worked
22 with our sister agencies, EDC, MOCDO, Cyber Command,
23 the City Council, and actually, um, with EDC
24 specifically we launched a PPE marketplace. We saw
25 the dearth of this and where we had 34% suppliers,

2 even using our M/WBEs, so that was great, you know,
3 for especially the agency that, you know, manages the
4 M/WBE program we really utilize this. The
5 marketplace actually gives small businesses,
6 nonprofits, and other organizations throughout all
7 five boroughs the opportunity to purchase via website
8 medical and nonmedical supplies to operate safely and
9 effectively. And this was the true need at the
10 beginning, and we know continues to be this,
11 continues as a need throughout the fall. In
12 addition, SBS worked with 80 community partners,
13 because we're fortunate to have those forged, to
14 distribute over seven million face coverings to small
15 businesses. And that was in such demand at the time,
16 as you recall. SBS has worked hard to be nimble and
17 adaptable, and I'm gonna underscore that, because
18 some of the staff has been amazing to and allow them
19 to respond effectively, and especially the feedback
20 from the council is, has been so, ah, dynamic and
21 allowing us, again, to be nimble and to serve where
22 necessary. And, again, we still have challenges with
23 the constituents. We are finding the areas where in
24 the vacuums where we need to focus and concentrate.
25 The city rapidly made available self-certification

2 and processes, ah, to make it easier for one of the
3 primary, ah, industries, restaurants, to begin
4 servicing customers outdoor right away. We
5 understand that it isn't, you know, it hasn't been
6 the same in all areas in all neighborhoods and the
7 inability to eat indoors, which I love, or, again,
8 you know, we had to be safe, but we allowed and
9 worked to, ah, as diligent as we could to notify and
10 help businesses learn of the requirements for the
11 outdoor open restaurant. The program continues
12 actually to exceed our expectations, as many have
13 realized, and there's over 10,600 participating
14 restaurants right now, ah, supporting about 100,000
15 jobs, ah, and a diverse group of workers throughout
16 the five boroughs. It's not the final answer, but
17 actually it's been an asset and help to many. And I
18 must say, in certain areas of this city it's created
19 a dynamic street environment, reminiscent of Europe
20 and other areas. The result of the Open Restaurant
21 Program actually has again been inspiring in
22 restaurants all over the city, again complemented,
23 created beautiful welcoming outdoor spaces, ah,
24 bringing a sense of hope and vibrancy to those who
25 are pedestrian, and we are a more pedestrian city and

2 the street has at least allowed to see this type of
3 activity in many corridors. Um, here at SBS we
4 launched a no-cost compliance consultation service
5 that my colleague, Edward, can speak to later to
6 educate and help businesses comply with this outdoor
7 program, because you can imagine things were fluid,
8 they changed, there was adoption, adaption, and we
9 had the ability to provide in real time counsel on
10 this. We have been creative and used the latest
11 technology ourselves, such as Zoom, Face Time, and
12 Instagram. Maybe not as novel for the rest of the
13 world, but for the city, you know, those are used
14 very effectively now, ensuring our business owners
15 and customers safety. Because in, in a way there's
16 two lines to this. There's technology that
17 businesses need to utilize to interact with
18 government and, and those businesses that don't have
19 that technology for us to realize to find the means
20 for them to do so, and then the technology to
21 continue and make your operations more robust, going
22 online, evolving beyond just a brick-and-mortar as e-
23 commerce has, has been noted, ah, by the chairpersons
24 the need is growing. Building on the open rapid
25 restaurant program, Mayor de Blasio announced this,

2 actually this past Wednesday, the Open Storefronts
3 Program, ah, allowing storefront businesses to use a
4 portion of the sidewalk directly in front of their
5 businesses. Even, you know, as the fall progresses
6 this will be an ability for businesses to bring
7 commerce, ah, to, to their location. Um, and by
8 filling out actually a simple attestation what we've
9 done is we've streamlined the protocols that
10 typically these type of changes would have, um, would
11 have necessitated and this is now easier and business
12 owners can commence operating immediately following a
13 very streamlined process. And we know the technology
14 before the pandemic and more so was necessary. We
15 realized and we helped through our business portfolio
16 of online classes, ah, which we have weekly and
17 monthly through our education curriculum, ah, the
18 ability to instruct businesses on how use e-commerce,
19 how to expand their businesses, how to broaden their
20 portfolio beyond the geographies of just their store,
21 and this is even more crucial and we've been
22 emphasizing this in our, um, service set, which again
23 is now accessible online virtual. Um, we know it
24 plays a critical role in business operations,
25 especially more so, and are proud of the services we

2 are delivering through our online platforms to
3 educate businesses. So in a sense it was almost, it
4 was seamless to a degree to at least maintain our
5 portfolio of programs. In closing, equity of access
6 and inclusion we all know it's at the core of the
7 work we do and we're ever seeking to expand our
8 outreach to those areas to learn, ah, from those in
9 the community, those who represent the community, ah,
10 and take these learnings and evolve what we're doing
11 and being, um, more diligent and creative, again, to
12 innovate. Ah, we we're working with our community
13 partners, which has been fantastic, and we've been
14 able to maximize and build off of these relationships
15 we've had for years. Ah, and we're doing this for
16 businesses in New York, ah, the far-reaching
17 neighborhoods to neighborhoods all over the city that
18 are impacted. And, again, for those who are seeking
19 new jobs. I want to thank you again for the
20 opportunity to testify on this extremely important
21 topic and we are happy to take your questions. And,
22 again, thank you very much, and also, ah, Council
23 People, for your, ah, recommendations to date.
24 They've been very well received and, again, thank
25 you.

2 CHAIRPERSON GJONAJ: Thank you, ah,
3 Assistant Commissioner. I would imagine you would
4 agree that with any investment that we could possibly
5 make into small businesses to keep them afloat and in
6 business is a wise investment that [inaudible].

7 ASSISTANT COMMISSIONER GIAMPIETRO: I
8 agree.

9 CHAIRPERSON GJONAJ: Any small business
10 that stays in business is contributing to contact
11 space. This could mean employment opportunities and
12 shaping the commercial corridors that our communities
13 rely on.

14 ASSISTANT COMMISSIONER GIAMPIETRO: Yes.

15 CHAIRPERSON GJONAJ: Prior to COVID-19 we
16 were seeing a large number of vacancies plague our
17 commercial corridor. COVID-19 has accelerated that
18 [inaudible]. We've heard recent reports as many as a
19 third of our small businesses may never reopen
20 [inaudible] devastation to our city for the small
21 business, ah, engine that drives this city, which
22 will lead to less jobs and less tax revenue. We're
23 brought back to the fundamental questions, Assistant
24 Commissioner. We need to figure out how to raise
25 revenues or sales for the small businesses, which

2 have been very difficult and [inaudible] e-commerce,
3 helping create a website for a marketplace for them
4 to sell their products and services. How can they
5 possibly compete with a group of search engines which
6 give prior listings to fake platforms? So even
7 though they make this investment into websites
8 offering for sale of their products and services,
9 it's drowned out by the search engines. If we showed
10 them new marketplaces through Amazon they pay fees
11 that not only eat into their profits, but in most
12 areas we too have lost because those percentages are
13 so high to be a part of these platforms. If we can't
14 raise revenue, then we have to figure out to lower
15 their expenses.

16 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah,
17 lower, and be innovative.

18 CHAIRPERSON GJONAJ: And be innovative.

19 ASSISTANT COMMISSIONER GIAMPIETRO: Yes,
20 yes, yes, agreed.

21 CHAIRPERSON GJONAJ: Currently we're not
22 lowering their expenses, we're only increasing their
23 expenses because their real estate taxes and water
24 and sewer charges are only increasing year over year.
25 What further we've done to our small businesses in

2 this COVID crisis, we've mandated that they make
3 additional investments into PPE, for social
4 distancing, for mask wearing, um, safety in their
5 establishments. We've shut them down. So we haven't
6 been able to lower their expenses. We haven't been
7 able to increase their sales. We haven't been able
8 to give them the loans and grants that they need to
9 recreate their business models. [inaudible] that is
10 enough when it comes to Small Business Services or
11 this administration, which is making it much more
12 difficult for those businesses to stay afloat. You
13 referred to learning. The mayor announced the
14 commission of a small business advisory council to
15 issue recommendations to help save the city's small
16 business economy. It's been reported that the
17 advisory council has, hasn't convened in months.
18 According to the Bronx Chamber of Commerce president,
19 Lisa Sorin, after Phase 2 happened the meetings
20 stopped. According to the Asian American Federation
21 president Jo-Ann Yoo, when we were asked to serve on
22 these committees I said yes. The [inaudible] talking
23 about would be implemented. I think it would be an
24 understatement to say I'm disappointed and actually

2 very frustrated and very, very angry. How do you
3 respond to these small business advocates?

4 ASSISTANT COMMISSIONER GIAMPIETRO: Look,
5 I can speak. Let me, I'll start with, ah, the first
6 part, um, Chairperson Gjonaj, regarding, you know,
7 the innovation, and I can say this, that there has
8 been efforts, some of which actually percolated
9 through many of the industry representatives. So I,
10 I can't speak to the time table right now of the
11 Small Business Advisory Council. I do know it was
12 meeting and then in June some of the ideas, ah,
13 percolated and we have been complementing some of the
14 efforts on the Empire State Development side with
15 their efforts currently, where many of our platforms
16 in the business education and webinars, and I just
17 don't want to restrict just to education, but to
18 ensure that the businesses that we are contacting
19 realize that broadening their scope and finding ways
20 to increase their market is necessary. Again, I, I,
21 I'll pull away from the rent issues and the real
22 estate issues currently because we all know, you
23 know, as I always say is oil is to taxes, real estate
24 is to New York, and it's a renter's situation in New
25 York and there's issues regarding commercial rents,

2 landlords, mortgage payments, and we can talk about
3 that, of course, if [inaudible].

4 CHAIRPERSON GJONAJ: But...

5 ASSISTANT COMMISSIONER GIAMPIETRO:
6 [inaudible].

7 CHAIRPERSON GJONAJ: [inaudible] too,
8 that we're in control of and that is real estate
9 taxes and water and sewer.

10 ASSISTANT COMMISSIONER GIAMPIETRO: We've
11 got real estate taxes...

12 CHAIRPERSON GJONAJ: The city is in
13 control of it.

14 ASSISTANT COMMISSIONER GIAMPIETRO:
15 Exactly, exactly. So you look at the variables of
16 what we control, what we don't control, and then
17 those things, and those things are some of the items
18 that the industry representatives we have been, we
19 had discussed, you know, how to, so looking at those
20 separately. Um, I'm not an economist, but I have
21 some familiarity and some, some ideas, ah, and to
22 state this, what we did very effectively with MOCDA
23 and EDC because a) there's limited resources, as you
24 know, b) there is innovation and there are many
25 ideas, c) we have this technology, ah, center,

2 Technology of Cornell, EDC has created this platform,
3 almost, um, I would say, ah, determines like a, ah,
4 crowdsourcing of ideas, and there's many that can be
5 utilized more quickly. Oftentimes we hear, oh,
6 there's thinking and then thinking takes months and
7 then months inevitably results into something a
8 little too late. But here it's being expedited.
9 There is work being done with EDC and SBS with the
10 Urban Tech Hub. Ah, there are ideas being, ah,
11 actually brought together to see how we can use e-
12 commerce. They're actually focusing on, ah, actually
13 storefront operations, operating effectively on curb
14 view space, which is happening now, um, how to reuse,
15 one of the biggest issues, vacant storefronts, a big,
16 a big issue. And then this complements, so we don't
17 have to be redundant, to what the Empire State
18 Development is doing in their digitalization efforts
19 as well. Um, I can't speak specifically regarding
20 commercial leasing. We do at SBS do have a very
21 strong commercial lease assistance program which we,
22 as you know, kind of funded again, which provides
23 additional information. Doesn't provide money,
24 provides something that over the years that I've
25 dealt with businesses, and you'd probably know many

2 businesses didn't look at the bottom line, didn't
3 look at their net lease, triple net lease for
4 criteria. Didn't realize how this happened. Didn't
5 look at their, um, 10-year, five-year renewal
6 options, and these things make them privy to, so when
7 they go in to their net landlord negotiations they're
8 a little bit more informed. Now, of course, people
9 need money to pay their rent. I'm not going to speak
10 to that at the moment. However, we are finding ways
11 for those businesses to a) work as we open up the
12 curbs, restaurants utilize their outdoors, businesses
13 that are artisanal, as we say in Italian artigiana,
14 and are very common in New York City, how they can
15 use, um, the online options that are affordable, and
16 this neighborhood development challenge with EDC and,
17 Gary, and I don't know if you want to speak to it a
18 little bit more, ah, is crucial. And we have to make
19 sure that places that don't have internet have
20 internet, 'cause at the end of the day if you can't
21 get online that's an issue and we're tackling that.
22 Gary, do you want to speak to that?

23 DIRECTOR JOHNSON: Sure.

24 ASSISTANT COMMISSIONER GIAMPIETRO:

25 [inaudible]? Thank you.

2 DIRECTOR JOHNSON: Thank you, Don. Thank
3 you, ah, council members, for, for having me. I send
4 greetings from John Paul Farmer. I think he was
5 meeting with you just a few weeks ago. Ah, and, and
6 just to, to piggyback off of what, ah, the
7 Commissioner has already mentioned, ah, during the
8 pandemic the CTO has worked very closely with AND our
9 agency partners, EDC, Cyber Command, the Office of
10 M/WBE, to addressing the emerging needs for small
11 businesses during the pandemic and recovery. Ah, in
12 April we released our remote work toolkit. This
13 includes best practices for businesses that were able
14 to transition online. We referenced, ah, key
15 services that SBS is already providing, such as their
16 online emergency preparedness workshop, ah, that the
17 commissioner mentioned. Um, in addition we worked
18 with Cyber Command, who authored a chapter in this
19 toolkit. Ah, ah, the Neighborhood Challenge, as don
20 mentioned, this is a, an online marketplace that
21 businesses can use to crowdsource ideas, ah, in real
22 time, ah, an innovation. This was in the partnership
23 with EDC and SBS, ah, to find resources for their
24 challenges that they're seeing. These are businesses
25 that are storefronts in commercial districts that are

2 experiencing severe impacts of COVID-19. Ah, and,
3 and the last thing I'll mention, we're working
4 actively with SBS on their M/WBE portal. This is how
5 businesses can sign up and receive access to city
6 contracts. Ah, we have a volunteer [inaudible] team
7 that we'll be working with over the next two weeks to
8 make some upgrades [inaudible]. Ah, this is a small
9 slice, ah, of, of the number of things that are
10 happening, um, that our office is involved in and
11 we're happy to continue to be, work collaboratively
12 with the council and with SBS to do more.

13 CHAIRPERSON GJONAJ: I thank both of you
14 for the very long answer. It wasn't straight to the
15 point [inaudible] basics. I have one more question.
16 We have so many more questions from our colleagues
17 and including my cochair. It's either we're going to
18 increase sales, we're going to lower expenses, or
19 we're going to give them the grants and loans that
20 they need to reinvent their business models, and you
21 haven't given an answer to any of the [inaudible].
22 Given the hurdles that they're going to face, I
23 repeat, if we're going to lower expenses we can't put
24 more government-funded mandates of PPE requirements
25 on them and expect them to spend money that they

2 don't have. If we're going to try to increase
3 revenues by creating a marketplace for them and if we
4 start focusing on shop local, stay local, we know
5 every dollar spent locally, 67 cents stays within
6 that community, that should be the promotion by this
7 administration, SBS, EDC, encouraging everyone to
8 shop locally. And if you don't want to do it in a
9 brick-and-mortar and you want to do it on the
10 internet, e-commerce, shop locally on the e-commerce
11 platforms. If we can't do either one of those then
12 we need to give them grants and loans so they can
13 reinvent their own business models adapted to the
14 changes. We can do a lot better than [inaudible].
15 They're the, they have the creative minds that will
16 allow them to build a business model to keep up with
17 the times.

18 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
19 hmm, um-hmm.

20 CHAIRPERSON GJONAJ: So I encourage you
21 again to focus on one of those three - lower their
22 costs, increase revenue, or give them the loans and
23 grants so that they can figure it out for themselves.
24 With that being said, my question is in the past
25 hearings SBS Commissioner Jonnel Doris, which I'm a

2 big fan, I consider to be a friend, stated that the
3 administration was considering establishing another
4 round of COVID-19 rescue grants and loans programs
5 for struggling local small businesses. Considering
6 that the technology we are discussing today will
7 require businesses to use funding that they do not
8 have, I think now is a good time to get an update
9 from SBS on where the administration is now with
10 another round of desperately needed rescue grants and
11 loans. Assistant Commissioner Donald, when you have
12 an update for this committee and the business
13 [inaudible] that are here today on whether we can
14 expect additional COVID-19 rescue funding while mom
15 and pop shops without the generic answer of federal
16 government or state aid.

17 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
18 hmm. At this juncture I cannot because there are
19 discussions happening. I cannot give a actual
20 explicit yes or no regarding that currently. And,
21 but, and not but to say discounting that. In
22 addition, what we are doing as we, you know, apply
23 those through is looking at where all the revenue and
24 access streams we have that can be utilized, that
25 exist, and ensuring that our business courses and

2 webinars are [inaudible], because we connect
3 businesses to loans and funding through partners, ah,
4 all the time. Not grants, sometimes, and many of
5 these would be PPE. So in the interim we would be
6 looking at, and as we're speaking, connecting
7 businesses to those types of resources to help with
8 PPE, even and indeed some might be provided free, ah,
9 and also to customize the solutions, 'cause what
10 we're finding is it's not one particular issue fits
11 all. Luckily the hotline, which has been good, as we
12 hear the specific issue it's I, I can afford masks
13 but I don't have sanitizer. Sometimes it's I can't
14 find enough. I went to Costco and it's not there, or
15 there's no actual commercial supplier. So what we're
16 doing is we've been pooling these resources and to
17 answer, so smartly, the other item lower in costs,
18 that's what we're trying to do and, and kind of pool,
19 ah, pooled purchasing. And that's what the
20 Neighborhood Challenge is doing. So that's what we
21 have been doing. So that's what we have been doing.
22 I, I, Donald Giampietro, at this moment cannot speak
23 to, ah, you know, the actual discussion for grants
24 and loans. I know we had two programs earlier, which
25 we were the getup. Ah, the second regarding the, ah,

2 response to some of the items did focus more on the
3 Bronx than the initial. And, um, for those that were
4 happening after some of the, the activities in the
5 street. Ah, but we are looking at and actually doing
6 the work to connect businesses to the loans. So I
7 don't want to be round-about, I just want to be
8 direct. And, and so, again, I, um, and we know
9 money, we know companies need resources to purchase
10 the PPE and the technology. Some are more expensive
11 than others. Different industry need different
12 things than others.

13 CHAIRPERSON GJONAJ: Thank you,
14 Commissioner. I'm going to get on this last thing
15 with you again.

16 ASSISTANT COMMISSIONER GIAMPIETRO: OK.

17 CHAIRPERSON GJONAJ: Real estate taxes
18 and water and sewer, [inaudible] your control,
19 lowering expenses is within our creative control.
20 Increasing sales is within our capabilities.

21 ASSISTANT COMMISSIONER GIAMPIETRO:
22 Capabilities, yeah.

23 CHAIRPERSON GJONAJ: And unfunded
24 mandates undermine their very existence. We will, I
25 think we could all agree the smartest investment that

2 we can make in our future and for the sake of our
3 economy is keeping small businesses alive so they can
4 survive. When they're gone they're not coming back
5 and nothing that I've heard so far from you as a yes
6 is giving me any hopes that we're going to help meet
7 those challenges. With that, I'm going to pass it to
8 Chair Holden. Thank you for your patience, Cochair.

9 ASSISTANT COMMISSIONER GIAMPIETRO: Thank
10 you, Chair.

11 CHAIRPERSON HOLDEN: Ah, thank you, Chair
12 Gjonaj and, ah, I just wanted to say we've been
13 joined by Council Member Paul Vallone. Ah,
14 Commissioner Giampietro, um, New York, New York City
15 Small Business Services is tasked with creating "the
16 economic security for all New Yorkers and strong
17 businesses." Um, according to the SBS website that,
18 you know, that, you know, that's what we read.
19 However, apart from the economic toll our small
20 businesses have been, have taken, we're now hearing
21 from our local businesses that they are being
22 harassed multiple times a week by city agencies, like
23 the Department of Consumer Affairs, the Department of
24 Buildings, for COVID-19 violations. They're not,
25 they're not in compliance with certain rules and

2 regulations. Now, why, you know, in this atmosphere
3 where these poor businesses were closed for so long
4 and they're, they don't have the customers they once
5 had, why are these agencies not giving small business
6 warnings, like go in, there's a, you know, you have
7 this problem, you've got to fix this, or, instead
8 they're giving \$1000 violations, ah, because they
9 don't have an official log of, for cleaning, or, ah,
10 they don't have a contactless thermometer, you know,
11 showed quickly, or they're not having, ah, one
12 business, a realtor, he doesn't get that many
13 customers, he makes them by appointments. He was
14 fined for not having the six-foot distance markers on
15 the floor. And, um, so, you know, what is, ah, your
16 agency, what is SBS doing to help these businesses
17 who are on the verge of closing down, you know, get
18 these agencies, get these city agencies off their
19 backs. Are you helping with that?

20 ASSISTANT COMMISSIONER GIAMPIETRO: And
21 yes, and yes we are, and I understand. This is the
22 one arm and the other arm, ah, and we do have, again,
23 a systematic infrastructure to deal with these issues
24 of government navigation and in July we actually
25 offered one-on-one through virtual compliance, ah,

2 that works. But actually my colleague, Edward
3 Ubiera, ah, runs many and some of these business
4 service programs. In addition, ah, our colleagues at
5 the Emergency Response Unit in navigating government
6 are actually right now dealing with issues of this,
7 where one agency is coming in, ah, to remind,
8 enforce, notify of new, new programs and restrictions
9 of COVID, even pre-COVID, and how we can work, ah, to
10 inform prior and do assessments with businesses, ah,
11 to ensure that they are in compliance or work with
12 the other respective sister agency when something has
13 been found. And we're, if you'd like to, ah...

14 DIRECTOR JOHNSON: Sure, sure. I, I can
15 add. Ah, thank you, Don. Um, thank you, ah, Chair
16 Holden. Since COVID began, um, SBS is, is very proud
17 of the, of the rollout of initiatives, um, that we've
18 been able to deploy, um, to allow small businesses to
19 remain viable, and also to operate in this new
20 unexplored territory of COVID where public health is
21 a key issue. So open restaurants, open store fronts,
22 um, open streets, um, all have presented, um, new
23 opportunities for businesses to use curb space and
24 business frontage to be able to generate sales. That
25 has also presented some challenges with respects to

2 new regulations and compliance, and in response to
3 those challenges we've done a couple of things. Um,
4 first we've rolled out a, ah, ah, citywide business
5 hotline where a small business owner can
6 telephonically connect to a hotline agent that is,
7 ah, getting accustomed and knowledgeable on both the
8 state's reopening guidelines and also the specific
9 agency guidelines that are being promulgated by the
10 Department of Health, by the Department of Consumer
11 Worker Protection, by DSNY. So that is easy one-
12 touch access telephonically to that kind of technical
13 assistance. Additionally, we also have been able to
14 convert our compliance advisor service into a virtual
15 compliance service, where a small business owner
16 with, um, all they would need would be a smart phone
17 can have an interactive visual, ah, walk-through of
18 their space, of their business frontage, to
19 understand where there would be, there could be
20 compliance or regulatory issues and they could speak
21 with someone who is very knowledgeable on those, um,
22 city regulations. Um, we've, my understanding is
23 we've been able to help over 200 businesses with
24 those compliance consultations and there have a high
25 level of satisfaction with the service delivered

2 there. Additionally, if a business owner calls our
3 hotline and they have a specific issue with a permit,
4 a specific violation, a specific utility issue, they
5 can connect to a small business advocate or request
6 to be connected to a small business advocate that can
7 do some investigation with the regulatory agency on
8 their behalf. That would be a little bit longer of
9 an intervention. They would have to give more
10 details and information. But the small business
11 advocate could try to work on their behalf. So we
12 truly understand, um, the, the pressures of
13 maintaining sales during this environment and also
14 the challenges of being able to, ah, conduct commerce
15 and still be, be healthy. And we're striving to
16 remain ahead of the curve, um, um, as the COVID
17 public health emergency evolves.

18 CHAIRPERSON HOLDEN: OK, could I just
19 like, could I just jump in because, you know...

20 DIRECTOR JOHNSON: Sure.

21 CHAIRPERSON HOLDEN: ...it's taking time.
22 Um, wouldn't it be easier for you guys to talk to the
23 other, to the agencies, like Consumer Affairs, ah, or
24 the Department of Buildings first and say, hey, guys,
25 considering what these, these businesses have been

2 through with the COVID, considering all the money
3 that was lost. Considering that these guys are, are
4 hanging by a threatened, these small businesses, you
5 know, give them a break, warn them. Is that, is that
6 difficult for the SBS to talk to these agencies and
7 say, ah, give them a warning first, or give them two
8 warnings. Give us a break here, guys. Um, this is
9 not, this is not the way the city should be
10 conducting business with our small businesses. This
11 is not the way we should be operating. I didn't hear
12 anybody say, ah, that we're talking to, ah, Consumer
13 Affairs and we're saying back off, can't do that?

14 ASSISTANT COMMISSIONER GIAMPIETRO: And
15 just let me introduce Edward. I mean, I'll go back.
16 You know, we have, we had a program, we still do, the
17 Small Business [inaudible], it's doing just that.
18 Looking at like first-time offenses for, for, and,
19 and seeing it, there could be relief, and we looked
20 DOB, ah, Consumer Affairs, if we go through the,
21 there's Fire, especially for restaurants, Fire and
22 DOB with HVAC systems and range hood was a, a large
23 issue.

24

25

2 CHAIRPERSON HOLDEN: No, but, but, let
3 me, answer my question, please. Have you spoken to
4 the Department of Consumer Affairs?

5 ASSISTANT COMMISSIONER GIAMPIETRO: I
6 have not spoken to the Department of Consumer
7 Affairs.

8 CHAIRPERSON HOLDEN: Leave the, you
9 haven't? You haven't spoken to them? Leave these
10 businesses alone, or at least give them a warning.
11 What is wrong with that, giving them a warning?
12 We're gonna come back tomorrow if you guys don't have
13 this, or we're gonna, if you don't get this in three
14 or four days we're gonna come back and you're get a
15 \$1000 fine. Instead, pow, they give them a \$1000
16 fine on the first, just first pop-in. It's
17 ridiculous. And I don't want to hear bureaucratic,
18 you know, excuses for this. That's what you're
19 giving me. Oh, we notified the businesses of this
20 and they can do this and then maybe like two years
21 from now they'll a judgment for them or against them.
22 It's not the way SBS, you should advocate and should,
23 and, and talk to these agencies.

24 ASSISTANT COMMISSIONER GIAMPIETRO: Just
25 to let you know...

2 CHAIRPERSON HOLDEN: There's no reason.

3 ASSISTANT COMMISSIONER GIAMPIETRO: True,
4 true, true.

5 CHAIRPERSON HOLDEN: [inaudible] And
6 that, like I said, we are in constant communication
7 with sister agencies and we have brought up strongly
8 to these agencies regarding first-time offenses,
9 where if they go, ah, one of the things that actually
10 we try to underscore and build is just that. If you
11 go to a business and you see issues, plus we do have
12 these compliance advisors, actually, ah, something,
13 ah, Chair Gjonaj one time a while back spoke of we're
14 using technology now, as Edward mentioned, to, to
15 view so we don't have to be there the issue and do an
16 assessment and, ah, again, I can't speak on behalf of
17 other agencies, but we are looking at this and acting
18 on the first-time offenses where businesses go, ah,
19 and actually businesses have agencies go to them and
20 then provide more of an assessment.

21 CHAIRPERSON HOLDEN: But, you know,
22 likely recently I read, ah, my colleague, I think
23 Council Member Yeger on this, ah, this hearing. Ah,
24 he tweeted out a video of a city inspector harassing
25 a small business that was closed to the public and

2 the DOB inspector was quoted as just saying, oh, I'm
3 just following orders. Ah, we need a sit-down, guys.
4 We need a sit-down with these city agencies and the
5 council members. We need to, you know, I need them
6 on this, ah, this, ah, this Zoom, too. We need to
7 get everybody in a room or somewhere on Zoom and just
8 say hey, come on. And, you know, I'm going to bring
9 this up to the mayor again, because this, this is not
10 the way we should be treating our small businesses
11 that are, like I said before, hanging by a thread.
12 And by throwing more bureaucratic stuff at them it's
13 not helping matters. Um, so, [inaudible], again,
14 nobody can answer me why you can't give them a
15 warning. You know why? They have a quota probably,
16 and we're gonna look into that, because that's
17 another thing. If they have quotas and they're doing
18 this on the backs to raise revenue for this city by,
19 on the backs of small businesses that is criminal.
20 That's criminal, and I'm sick of this, and I'm sick
21 of fending off, ah, I'm getting so many, they just
22 descended on my, my community. They descended in,
23 ah, all these inspectors, and they just keep banging
24 these small businesses. It's not right. And, um,
25 you know, I'm just beside myself on this. And I'm

2 going to turn it back to the chair. I have a lot
3 more questions, but, um, I'm just getting, what we're
4 getting here is not the answers I want to hear, or
5 anybody wants to hear, all the small businesses don't
6 want to hear. They, they don't want to hear more
7 bureaucratic stuff. They want to hear we're gonna
8 stop it. And we're gonna talk to these agencies.
9 And we're gonna have a sit-down, and we're gonna, ah,
10 and, you know, I'm gonna, I'm gonna talk to the mayor
11 today because this is, this can't go on. That's not
12 how you raise revenue, right, Chair Gjonaj?

13 CHAIRPERSON GJONAJ: Ah, Chair Holden, I
14 agree with you. I hear the same and I'm glad that we
15 were able to do this together, ah, in this hearing,
16 where I focus on one component, you focus on the
17 other. We're not giving them an opportunity to
18 survive. They're doing everything possible to make
19 sure that they fail and shutter their doors forever.
20 We don't even mention, ah, you know, it was
21 eloquently, ah, discussed the open restaurants, the
22 sidewalks, the data that has to be taken for indoor
23 dining and the liability in and around that personal
24 data. Our restaurants aren't capable of protecting
25 that data. Yet there will be legislation that's

2 gonna force someone to walk in [inaudible] is going
3 to be a liability and additional fines for lack of
4 information, for storage of information, and how we
5 protected it from cyber security threats. We haven't
6 done anything but hurt our small businesses. Thank
7 you, Chair Holden. As one person...

8 CHAIRPERSON HOLDEN: Ah, just one thing I
9 just want to bring up before because I forgot one
10 thing. Ah, you know, and maybe you said this but,
11 ah, I'm just like, again, very outraged at, at what
12 happened to these small businesses. Does SBS offer
13 any grants for small businesses to, ah, procure the
14 necessary technology to not only comply with state
15 and city guidelines, but to also help them increase
16 business during these unprecedented times? Ah, I'm
17 talking about grants now.

18 ASSISTANT COMMISSIONER GIAMPIETRO: Um,
19 again, it, it was raised. At this juncture I'm not
20 privy specifically to grants, but we have every
21 effort. We link them up to, ah, loans, various, ah,
22 providers of resources, ah, financing, fiscal
23 assistance through our network of providers. Ah, I'm
24 not privy myself right now to additional grants and
25 loans.

2 CHAIRPERSON HOLDEN: But the grants, see,
3 that's an important thing, 'cause we were just saying
4 like, like, ah, Chair Gjonaj mentioned before, ah,
5 about this, how do, you know, we gotta help them.
6 They, it's got to come out of their pocket. I had
7 one business had to go spend \$100,000 to, to come up
8 with, ah, to comply some of the...

9 ASSISTANT COMMISSIONER GIAMPIETRO:
10 [inaudible], I'm sorry, we hear this, yes, we hear
11 this all the time.

12 CHAIRPERSON HOLDEN: And, and you know,
13 though, ah, Assistant Commissioner, this, this
14 business that I'm talking about spent \$100,000.
15 They're not allowed to open yet.

16 ASSISTANT COMMISSIONER GIAMPIETRO: Hmm.

17 CHAIRPERSON HOLDEN: These amusement, ah,
18 businesses for children, these, ah, party places. I
19 have a lot of them throughout my district, and they
20 can't even open.

21 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah.

22 CHAIRPERSON HOLDEN: And there's no word
23 from the governor, ah, from, from his, ah, perch
24 there on the mountain, there's no word when they can
25 open. Can you imagine that?

2 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
3 hmm.

4 CHAIRPERSON GJONAJ: Imagine, there's no
5 word of when these businesses can open. Not even,
6 not even one letter, not even one, ah, communication.

7 ASSISTANT COMMISSIONER GIAMPIETRO: And
8 it's...

9 CHAIRPERSON HOLDEN: And this is what
10 we're doing to [inaudible].

11 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah,
12 and Chair Gjonaj had mentioned the McKinzie study
13 that like kind of gradually sees a different
14 timeline.

15 CHAIRPERSON HOLDEN: I, I mentioned that,
16 yeah.

17 ASSISTANT COMMISSIONER GIAMPIETRO: But
18 you, I apologize, I apologize.

19 CHAIRPERSON HOLDEN: That's all right.

20 ASSISTANT COMMISSIONER GIAMPIETRO: And,
21 ah, and, ah, we hear this information. The hotline
22 has been ideal. Ah, we do the walk-throughs, the
23 commissioner does, and, ah, like I said sometimes
24 they, even these particular hearings are wonderful
25

2 exercises because we, it reinforces what we're
3 hearing [inaudible].

4 CHAIRPERSON HOLDEN: [inaudible] these
5 businesses, the, the commissioner's got to go out,
6 the SBS commissioner has got to go out and talk to
7 these businesses that have been beaten up. And,
8 again, you guys, the city, I'm talking about the
9 city, not you, SBS. The city's putting the final
10 nail in the coffin here. Ah, it really is, and
11 that's, again, that to me is criminal 'cause you're
12 destroying entire communities. The COVID, you know,
13 did, did a lot of it and most of it, the regulations
14 did, ah, again, a good deal of it. But now to fine
15 them, to fine them continually, thousands of dollars,
16 come on.

17 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah.

18 CHAIRPERSON HOLDEN: All right. Thank
19 you, Chair, thank you, Chair.

20 CHAIRPERSON GJONAJ: Chair, Chair, let's
21 just follow up on one other fact. It's up to 70% of
22 our retail stores rely on the holiday shopping. With
23 the fear of a second wave of COVID that won't happen.
24 In addition, um, the marketing, you know that online
25 e-commerce shopping has increased dramatically. What

2 are you going to do to educate New Yorkers to shop
3 locally, stay away from e-commerce, and if you're
4 going to do internet shopping how are you going to
5 open to a local commercial corridor? You go back to
6 some of the very basics.

7 ASSISTANT COMMISSIONER GIAMPIETRO: Yep,
8 yep.

9 CHAIRPERSON GJONAJ: You don't have the
10 money. You're not gonna lower their real estate
11 charges, ah, taxes. You're not going to lower water
12 and sewer. You're not going to stop fining. So what
13 can you do?

14 ASSISTANT COMMISSIONER GIAMPIETRO: And
15 what we, can we do and what we are doing, especially
16 as the holiday and, you know, I've been, there are
17 discussions, we, luckily we do have that tentacle and
18 web of locally based groups, our BIDs, we are
19 engaged, we have an entire division, Neighborhood
20 Development. Ah, our representative is not here, but
21 we can speak, and they're pushing, plus our online
22 [inaudible] team is pushing towards local purchasing.

23 CHAIRPERSON GJONAJ: Donald, it's...

24 CHAIRPERSON HOLDEN: You could just...

2 CHAIRPERSON GJONAJ: ...[inaudible]
3 models...

4 CHAIRPERSON HOLDEN: Chair Gjonaj, one
5 second. I just want to, and, and I don't, I'm sorry,
6 I'm turning it back to, you know, another question.
7 But the department, I just want to ask the, ah, the
8 assistant commissioner. Um, I just discovered the
9 Department of Consumer Affairs has a program called
10 the visiting inspector program.

11 ASSISTANT COMMISSIONER GIAMPIETRO: Yes.

12 CHAIRPERSON HOLDEN: VIP.

13 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
14 hmm.

15 CHAIRPERSON HOLDEN: Right?

16 ASSISTANT COMMISSIONER GIAMPIETRO: Yes.

17 CHAIRPERSON HOLDEN: Ah, where they send
18 inspectors to do compliance checks for small
19 businesses in an effort to find issues that
20 businesses can address to avoid fines. So why isn't
21 Consumer Affairs using this program now for COVID
22 compliance? I mean, you would think, you know, that
23 that would be the way to go. You have a program, use
24 it. You know, will, will you guys inform, um, them

25

2 to, really, hey, get this program going, now more
3 than ever?

4 ASSISTANT COMMISSIONER GIAMPIETRO: And,
5 and we have, we come, I'm going to bring this to
6 Edward because under his, um, auspices we, we do
7 something very similar with the resources we have.
8 And, Edward, if you could speak, yes, and thank you
9 so much, Chairperson.

10 COMMISSIONER UBIERA: Well, well, I, I, I
11 want to thank you, Don, and, and thank you, Chair.
12 Um, as our hotline agents are engaging small
13 businesses and as our virtual compliance advisors are
14 engaging small businesses, and our small business
15 advocates are speaking with small businesses, you
16 know, that does give us additional information and
17 input that, ah, that we do share out with our sister
18 agencies on a continuous basis. And that is ongoing,
19 and, ah, we appreciate the comments of this hearing
20 to understand some of the, the ongoing pain points.
21 Um, ah, in terms of the holiday season and boosting
22 sales, um, as Don indicated, um, the Open Storefront
23 Program, which was launched recently, SBS and its
24 community partners, the BIDs, the CBOs, and our
25 sister agencies and our private partners, we will be,

2 ah, very aggressive in communicating, um, ah, and
3 highlighting to, to shop [inaudible] and, and shop
4 local, ah, over the next several weeks. And, ah, you
5 will, you will likely see, um, ah, a fair amount of
6 marketing communications across multiple channels to
7 highlight that and give businesses, um, that
8 opportunity. And, um, ah, yeah, we, we are, we are
9 going to be as diligent as possible in making sure
10 that Open Storefronts, um, ah, gives that revenue-
11 generating opportunity, ah, to the small business
12 community.

13 CHAIRPERSON GJONAJ: Assistant
14 Commissioner, thank you. But all day long, every
15 day, we're talking about an uptick in COVID cases.
16 Open Storefronts is going to be counterproductive
17 because soon as we get off this hearing someone from
18 this administration will be talking about an uptick
19 and the importance of people staying home and away
20 from crowded places. If you can't leave your house
21 to shop locally, brick-and-mortar establishments,
22 Open Storefronts is a failed program. It's just
23 another smoke-and-mirrors approach. In the upcoming
24 days they're going to be telling New Yorkers
25 [inaudible], we'll be looking at additional closures.

2 You should not be outside unless absolutely
3 necessary. So that's the fundamentals. They're
4 going to tell them to shelter in place, stop the
5 spread. What good are open storefronts?

6 COMMISSIONER UBIERA: Well, ah, ah, thank
7 you, Chair. Um, ah, hopefully, um, ah, the
8 mitigation strategies that, um, um, Department of
9 Health and Health and Hospitals Corporation are, are
10 operating, um, will, will allow us to avoid, um, that
11 eventuality. But, um, um, we are hopeful that Open
12 Storefront will provide a window of, of revenue
13 generation during the duration. And I also want to
14 add that in addition to a lot of these place-based
15 strategies that we've employed since COVID began, um,
16 we have, um, ah, additionally introduced e-commerce
17 as a business education, ah, product, ah, in our
18 business solution centers, or through our business
19 solution centers. So small business owners, um, are
20 now getting additional information, a little bit more
21 fine-tuned information on how, um, have an online and
22 digital presence and generate sales digitally. And
23 so, um, we recognize that and we are, we are
24 continuing to build that, that, the service offering
25 and, um, ah, we further hope that the partnership

2 with EDC, the neighborhood tech challenge, will help
3 us bring to scale some additional innovative pilots
4 that will be targeted towards storefronts and the e-
5 commerce economy and we look forward towards being
6 able to talk about that in the months ahead.

7 CHAIRPERSON GJONAJ: Chair, I think we
8 should, ah, leave it to the moderator stuff, asking
9 the other council members that have been so patiently
10 waiting and have questions of their own, and we
11 should follow up after this. Is that OK with you,
12 Chair?

13 CHAIRPERSON HOLDEN: That's good, that's
14 fine. Thank you.

15 CHAIRPERSON GJONAJ: Let's pass it to the
16 moderator.

17 COMMITTEE COUNSEL: Thank you, Chair.
18 Um, I will now turn to other council members to ask
19 their questions in the order they have used the Zoom
20 raise hand function. If you would like to ask a
21 question and you have not yet used the Zoom raise
22 hand function please do so now. Council members,
23 please keep your questions to five minutes. The
24 Sergeant at Arms will keep a timer and will let you
25 know when your time is up. Again, once I have called

2 on you and the sergeant has announced that you may
3 begin delivering your testimony. At this time we'll
4 first hear from Council Member Koo, who has a
5 question.

6 SERGEANT AT ARMS: Time starts now.

7 COUNCIL MEMBER KOO: Yeah. Thank you,
8 ah, Commissioners, and thank you for the two chairs
9 holding its meeting. Ah, my, my initial question is
10 the city has two rules, two sets of rules, right, and
11 they only apply the rules to the licensed business,
12 small business owners. Like the two chairs already
13 mentioned, ah, during these difficult times all these
14 agencies go to different stores and give them fines,
15 which can easily be avoided by give them verbal
16 warnings. But at the same time now they want to do
17 open, ah, storefronts. But administration forgot we
18 have already a lot of, ah, vendors on the streets.
19 If you come to the Main Street, Flushing, the whole
20 Main Street business corridor is full of unlicensed
21 vendors, from one side of the sidewalk. They sell
22 everything under the sun, you know, pots and pans,
23 crafts. Look [inaudible] COVID, real life crafts,
24 you know, on the streets, and, ah, groceries, ah,
25 fake, ah fake handbags, and tons of people selling

2 PPEs on the sidewalks, I mean, alcohols, sanitizers,
3 we have tons of people lining up on the street
4 selling all those masks now. So meanwhile how do you
5 expect regular business, regular business owners do
6 their business? There's no business. When you buy
7 stuff from the stores they charge sales tax, right?
8 The city makes the money. But when customers buy
9 something on the street the city doesn't get
10 anything. So, but meanwhile there's no enforcement.
11 I have been talking about this for months already. I
12 mentioned personally to the mayor. He said, oh,
13 we're gonna take care of this. We're not, NYPD is
14 too busy. But NYPD is not that busy anymore. Every
15 day they go to protest movements, especially the
16 local business. They have the personnel. But they
17 just need some directions from the administration, to
18 say, hey, you guys can do enforcement. I Don't how
19 hard this is. Just the mayor open his mouth and say
20 three or four words, do your job. We're not going to
21 [inaudible] you. Meanwhile, you're seeing the
22 administration and you're seeing city agencies giving
23 fines to regular, ah, store owners. But they know
24 other people are selling things on the streets,
25 nobody asking anything. You can sell anything on the

2 streets. Nobody stops you. You can sell cigarettes,
3 you can sell all kinds of illegal things now.

4 There's no enforcement. That's the bad thing. So
5 why should store owners pay property tax, pay sales
6 tax? There's all these taxes to support the city.

7 The city doesn't deliver any service to the, to the
8 small business owners. Meanwhile, in addition to

9 those we see people peeing in the streets, homeless
10 people, crazy people, ah, just lying in front of the

11 banks, right in front of the banks. They just lie
12 there, don't do anything. They're drunk or they're

13 passed out. They scare off the customers. So I'm
14 saying all this because SBS is supposed to help

15 business owners, right? Meanwhile from all I heard
16 it's all talk, right? No actions. If you can tell

17 the mayor to come to some enforcements, get rid of
18 the illegal vendors on the streets, you will help

19 business owners a lot, because that will cut down
20 their competitions. The main competitors is on the

21 street, people selling things much cheaper than store
22 owners. And so how do you respond to that, ah,

23 Assistant Commissioner?

24 ASSISTANT COMMISSIONER GIAMPIETRO: Well,
25 I could just, um, I'm not full familiar, I have some

2 familiarity back down when the East Village had
3 illegal street vending and some on Fifth Avenue, ah,
4 like 20 years ago or so.

5 COUNCIL MEMBER KOO: I think it's all
6 over the city.

7 ASSISTANT COMMISSIONER GIAMPIETRO: Now,
8 yes.

9 COUNCIL MEMBER KOO: It's all over the
10 city.

11 ASSISTANT COMMISSIONER GIAMPIETRO: Very,
12 I understand, understand. Um, I'm, I'm, I've been
13 taking notes as you've been speaking to bring that
14 back. I can't speak to illegal vending. There is an
15 enforcement issue, yes. But I am noting that and,
16 ah, we will get back and take action on this.

17 COUNCIL MEMBER KOO: Meanwhile, like
18 you're talking about technology, right?

19 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
20 hmm.

21 COUNCIL MEMBER KOO: [inaudible] from
22 the, from Amazon, from other online providers. The
23 only way we can stop that is to...

24 SERGEANT AT ARMS: Time's expired.

2 COUNCIL MEMBER KOO: ...charge it, make
3 them charge a delivery charge and sales tax. They
4 will discourage people from buying online, because
5 it's so convenient [inaudible] free delivery, right?
6 So you make them charge a delivery charge and charge
7 it, make sure they apply the sales tax and, and you
8 will force people, ah, to rethink, maybe I should buy
9 locally because the, the delivery charge is so high,
10 you know?

11 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
12 hmm, I took note, thank you. Thank you very much.

13 COMMITTEE COUNSEL: Thank you, Council
14 Member Koo. We'll now hear from Council Member
15 Vallone.

16 SERGEANT AT ARMS: Your time starts now.

17 COUNCIL MEMBER VALLONE: Thank you to
18 both of our cochairs for your passionate support and
19 rallying cry for our small business. Um, I think we
20 can just be easy for my part today because one of the
21 cochairs, Council Member Mark Gjonaj with Small
22 Business and I are setting up a hearing for December
23 jointly with my committee with EDC and Small Business
24 on some of the portals and platforms that you
25 mentioned today. Um, and so the information that

2 Chair Council Member Holden asked for and did not
3 get, you can then bring to that hearing. So, so for
4 Council Member Holden's points that we are not
5 getting to today and the same thing with Council
6 Member Gjonaj, we can expect those same questions in
7 December, so we can be prepared for those answers,
8 because through economic development I know, ah,
9 Assistant Commissioner, Deputy Commissioner, he
10 mentioned some of those portals and access and
11 programs and loans, especially with the new e-portals
12 and online services. So I don't know if you want to
13 mention or just give a brief description of that now,
14 or if you want to wait for December, but the
15 partnership with EDC and the new approach for online
16 support is critical, just as Council Member Gjonaj
17 said, that at any minute the mayor can decide to, you
18 know, once again, scare them into staying home and
19 not going back to our small businesses. So that May
20 happen. Um, these online portals and the access are,
21 are even more critical now, um, and we have a rally
22 today with Congresswoman Meng and her congressional
23 bill for outdoor support for dining. So there is a
24 federal, state, and local push to try to save more
25 restaurants. So if, if you wanted to give a little

2 summary now, ah, of that partnership with EDC and
3 some of those online, um, support systems that are in
4 place, that would be fine to wait for the Assembly, I
5 leave that up to you, but...

6 ASSISTANT COMMISSIONER GIAMPIETRO: I, I
7 [inaudible] maybe, ah, again, I, ah, we could
8 elaborate more in December, but, again, it's also
9 platforms that with, ah, EDC and perhaps Gary could,
10 could jump in as well. Ah, that, we know that,
11 again, as, ah, Chairperson Gjonaj mentioned, there's
12 like certain variables that we control and not
13 control, and, and not everyone has equal access to
14 certain technologies. But there are innovative ideas
15 that are actually developing. So there's going to be
16 basically a platform with EDC and this, this
17 neighborhood, um, the neighborhood challenge, it's
18 this tech forward initiative where there's, ah, this,
19 you know, crowdsourcing with various solutions that
20 would, would be activated and that perhaps there'd be
21 means to, um, provide targeted areas and targeted
22 portions of the city businesses of, of, in different
23 communities that might be more need or not. And
24 that's happening. B, ah, there are platforms such as
25 the .nyc.gov business portal where fines, fees,

2 it's almost like a Turbo Tax, if you will, where we
3 can go through and determine what is necessary. And
4 then again utilizing online tool video technology to
5 assess, ah, location. And then to build e-commerce
6 and, again, underscoring what we were saying here, to
7 the local level. So it's not like I'm buying from
8 Missouri, I'm buying from, ah, you know, Maspeth.
9 But, Gary, if you could go...

10 COUNCIL MEMBER VALLONE: Well, let me
11 just say [inaudible] because we really don't have to
12 reinvent the wheel on that.

13 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah.

14 COUNCIL MEMBER VALLONE: My suggestion
15 would be is get between the chambers of commerces and
16 the local BIDs that we have in place. We know
17 exactly what the businesses are suffering for, where
18 they are located, what [inaudible], main street in
19 each council [inaudible]...

20 ASSISTANT COMMISSIONER GIAMPIETRO:
21 Exactly.

22 COUNCIL MEMBER VALLONE: So we don't have
23 go searching for a business that doesn't have an
24 internet capability. We already know the areas that
25 are in trouble and the areas that may have that

2 anyway and are still in trouble. So what I would
3 like to do is to immediately access those chambers of
4 commerces and those businesses that we're already
5 aware of...

6 ASSISTANT COMMISSIONER GIAMPIETRO: Um-
7 hmm.

8 COUNCIL MEMBER VALLONE: ...into that loop
9 already and then you'll have a, a headstrong...

10 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah.

11 COUNCIL MEMBER VALLONE: ...start.

12 ASSISTANT COMMISSIONER GIAMPIETRO: It's
13 like a jump start, yep.

14 COUNCIL MEMBER VALLONE: That would be,
15 and my, my suggestion would be, and then to have that
16 through each borough, we can easily then ramp up.
17 And then for those that are missing we would, they
18 would be moved up into that process, because start
19 with the 99% that we know of and let's get that 1%...

20 ASSISTANT COMMISSIONER GIAMPIETRO: Yeah,
21 and that's why it's gonna be this like crowdsourcing
22 platform. Gary, do you want to speak to, um, and,
23 again, and your December hearing would be more, ah,
24 Gary? Thank you.

25

2 DIRECTOR JOHNSON: Yeah, I, I would
3 agree. Perhaps the December hearing where you have
4 EDC involved with, can provide more detail. Ah, our
5 office is happy to be involved with such an
6 initiative, as the neighborhood tech challenge. Ah,
7 our role is to promote it throughout the larger tech
8 community. I think the Commissioner outlined it
9 well. It's creating a, crowdsourcing solutions to
10 problems that we know and new problems that our
11 storefront businesses are facing, ah, and seeing how
12 innovation and tech can help solve some of those
13 problems.

14 COUNCIL MEMBER VALLONE: Well, I think
15 [inaudible] said and my time's up, we know what those
16 problems are and now it's just a matter of who can
17 [inaudible] getting them that service and getting
18 that grant ability, and that's where [inaudible] and
19 with you and council members. Ah, we do have time in
20 our time left together to do this and we can get it
21 done quickly. We can just tap into our chambers and
22 local BIDs and [inaudible] issues we're having.
23 Thank you, both of our chairs.

24 UNIDENTIFIED: Thank you.
25

2 COMMITTEE COUNSEL: Thank you. At this
3 time I'd ask any other council members who have
4 questions to please use the Zoom raise hand function
5 if you have any other questions for the
6 administration. Seeing none, at this time we will
7 move on to testimony from members of the public.

8 CHAIRPERSON HOLDEN: Ah, no, ah, not yet
9 please. I have some other questions. I didn't ask
10 questions of the CTO. I'd like to, ah.

11 COMMITTEE COUNSEL: Oh, Council Member
12 Holden, please go ahead.

13 ASSISTANT COMMISSIONER GIAMPIETRO:
14 [laughs]

15 CHAIRPERSON HOLDEN: Ah, in February we
16 had a hearing on cyber security for small businesses.
17 At the hearing you informed the public about the
18 Moonshot Challenge you organized on, ah, I think it
19 was August 5 of 2019. Ah, my staff was honored to
20 attend the award ceremony a year ago. The award was
21 a nominal amount, ah, \$10,000 for the first three
22 nominees. Ah, have they received the, the money, the
23 monetary award? Mr. Johnson, could you, can we
24 unmute, ah...

25 UNIDENTIFIED: I think he's on mute.

2 CHAIRPERSON HOLDEN: OK. Ah, he's muted
3 again, so you got to unmute it, please, yeah, thank
4 you. OK.

5 DIRECTOR JOHNSON: All right, can you
6 hear me now? Can you hear me now? Thank you for the
7 question, Council Member. Ah, I recall that in the
8 hearing in February. Ah, the, all of the awardees,
9 all of the challenge finalists, excuse me, have been
10 award the, those grants.

11 CHAIRPERSON HOLDEN: So they received the
12 money?

13 DIRECTOR JOHNSON: Correct.

14 COUNCIL MEMBER HOLDEN: OK. Um, and when
15 did they get it? Do you know when they got it?

16 DIRECTOR JOHNSON: Um, I'd have to, ah,
17 confer with the team specifically, but I think it, it
18 took a few months after the challenge closing just on
19 some procurement mechanisms that were delayed.

20 CHAIRPERSON HOLDEN: OK. And in January
21 of this year your office issued an internet master
22 plan. Ah, we had a hearing on broadband issues only
23 about two weeks ago and discussed an issue that's
24 related to the digital divide, including projects in
25 NYCHA. Ah, do you plan to address, ah, these issues,

2 ah, related to broadband access for small businesses?

3 You know, can we apply that to small businesses?

4 DIRECTOR JOHNSON: I appreciate the
5 question. Ah, I think that the short answer is yes.
6 Ah, these upgrades are going to target, ah,
7 communities that first and foremost have been hardest
8 hit by COVID-19. Ah, a lot of these communities are
9 co-located with NYCHA properties. Ah, so the
10 upgrades will benefit residents in addition to the
11 businesses that are in those corridors. Ah, the
12 internet master plan is, is supposed to create access
13 for the entire city, but, again, prioritizing
14 neighborhoods that are under-connected currently, ah,
15 and the proximate businesses that are in those
16 corridors.

17 CHAIRPERSON HOLDEN: OK. Ah, on February
18 25 we had a hearing where we asked this question.
19 Um, ah, and we'd like, you know, we'd like a follow-
20 up. In May 2019 your office issued a report called
21 Truth in Broadband, ah, Public Wi-Fi in New York
22 City. According to this report the CTO's office
23 would collect relevant agreements, like [inaudible]
24 agreements between the city and Wi-Fi providers for
25 free public Wi-Fi systems and post them on the

2 website. It's on page 22 of the report. Are these
3 agreements collected and posted?

4 DIRECTOR JOHNSON: Ah, ah, thank you for
5 the question, Chair. Um, I, I would have to confer
6 with my broadband team on that question specifically.
7 Ah, I, I will say that since that plan was issued,
8 ah, we've made advances on our broadband agenda, as
9 you are aware. Ah, we've now secured some, some
10 funding to advance the, ah, creation of this network.
11 As you are aware, we're hoping to have the, an RP out
12 very soon and to begin, ah, services, ah, starting in
13 the top of the year.

14 CHAIRPERSON HOLDEN: OK, 'cause, um, ah,
15 according to the report your office will develop a
16 uniform contract language based on recommended
17 policies and standards to be used as a template for
18 future Wi-Fi development. Was that done? Can we,
19 you know, and can, can we get a copy of the template?

20 DIRECTOR JOHNSON: So I'll, again, I'll
21 confer with the team on that specific point. Um, my
22 understanding that our, our focus has shifted to the
23 INP, which is the most recent document. It's
24 actually revision of that strategy, ah, is my
25 understanding. We're working with 17 agencies

2 currently to map the city's various assets. Ah, so I
3 think that is going to be the, the current approach,
4 ah, to the deployment of broadband. But I will get
5 you an answer on that, ah, I'll confer with the team.

6 CHAIRPERSON HOLDEN: Yeah, and, 'cause
7 during the briefing with our committee on public Wi-
8 Fi in the summer of 2019 your colleague, Joshua,
9 mentioned that your office will be working with the
10 Office of Cyber Command to issue cyber security
11 protocols applicable for public Wi-Fi. Is, you know,
12 we want to know, we want to hear, you know, the
13 progress in drafting these protocols and, and when,
14 you know, when can we expect them, so if that, if you
15 can get back to us on that, too.

16 DIRECTOR JOHNSON: Yes, yes, we'll do.

17 CHAIRPERSON HOLDEN: All right. Thank
18 you. Thank you, Chair Gjonaj.

19 CHAIRPERSON GJONAJ: Thank you, Chair.
20 Um, I think the, um, Assistant Commissioner,
21 obviously the next hearing is going to be important
22 as you follow up with some of the questions. But I
23 must say that I'm disappointed that we really haven't
24 heard anything, ah, from SBS, ah, that will address
25 those points that, um, our small businesses are

2 holding on to dear life. Would you help them get
3 through this? I encourage you to start thinking of
4 clear ways to increase sales, decrease expenses, ah,
5 help them find the loans, the grants, because loans
6 have to be paid back, help them get the grants that
7 they deserve to stay afloat. Otherwise, we're gonna
8 be looking a whole new city, ah, [inaudible] COVID.
9 I think you're on mute. Thanks, Steve.

10 COMMITTEE COUNSEL: Thank you, Chair
11 Gjonaj. At this point we will move on to testimony
12 from the public. I'd like to remind everyone that
13 unlike our typical council hearings we will be
14 calling individuals one by one to testify. Each
15 panelist will be given three minutes to speak, so
16 please begin once the sergeant has started the timer.
17 Council members who have questions for a particular
18 panelist should use the raise hand function in Zoom.
19 And I will call on you after each panelist has
20 completed their testimony. For panelists, once your
21 name is called a member of our staff will unmute you
22 and the Sergeant at Arms will give you the go-ahead
23 to begin upon setting the timer. So please wait for
24 the sergeant to announce you may begin before
25 delivering your testimony. I would like now to

2 welcome Clayton Banks of Silicon Harlem to testify,
3 followed by Jessica Walker of the Manhattan Chamber
4 of Commerce. Um, please begin. Thank you.

5 SERGEANT AT ARMS: Time starts now.

6 CLAYTON BANKS: Good afternoon, everyone.
7 Um, my name is Clayton Banks and I am the co-founder
8 of Silicon Harlem.

9 CHAIRPERSON GJONAJ: Clayton, Mr. Banks,
10 can you get a little closer to the microphone? We
11 can't hear you very well.

12 CLAYTON BANKS: OK. How about this? Can
13 you hear me?

14 CHAIRPERSON HOLDEN: Yes.

15 CLAYTON BANKS: OK. Um, so, again, I'm
16 Clayton Banks, co-founder of Silicon Harlem, and if
17 you don't mind, allow me just, ah, give you a quick,
18 ah, idea about what we're thinking as relates to, ah,
19 small business and technology. Um, and in fact
20 recently I, ah, had an op-ed published on tech
21 investments to avoid the next divide. We all know
22 the, ah, crisis that has happened around technology
23 given the pandemic. Um, I believe that if we make
24 thoughtful and broad-based investments in the, um,
25 infrastructure we can ameliorate, if not, you know,

2 completely, um, avoid the next digital divide. So my
3 testimony has essentially been framed around three
4 key eliminations as it pertains to how technology can
5 assist small businesses during the pandemic and post
6 pandemic. One of the things as I've listened to the
7 call, you talk a lot about the present but there's a
8 whole future that we'll have to contemplate on both
9 the broadband side as well as the small business side
10 of technology, um, and during the early days of the
11 pandemic, if I had my, um, general counsel die on
12 March 12, so I was in a, and my company was on a
13 rapid response and, um, as a small business this was
14 very dramatic to have anyone leave, um, certainly
15 from that perspective. Um, but we did a rapid
16 response of, of knowing that, ah, public housing was
17 going to be very vulnerable and a lot of the low-
18 income senior citizens, etcetera. So we were able to
19 get out some computers and some smart thermometers
20 and did a lot to, ah, even wire up some local, ah,
21 public housing, ah, shared spaces. Um, and that's
22 one of the issues is broadband in itself. The second
23 one is, of course, the lack of advisors. So, as I
24 mentioned, we were able to provide several families
25 computers to help them, um, with the fact that

2 schools were closing down and in some cases helped
3 their parents who had lost their jobs. And third is
4 that [inaudible] going to those issues is that the
5 small businesses, um, were having a struggle here, as
6 you know, with everything from [inaudible] on down
7 and a lot of it had to do with digital literacy.
8 They were not prepared. So I want to stay within my
9 time. I hope that that illuminating of the problem
10 is, is clear. I want to offer to some solutions and
11 some, some actual recommendations that we can all
12 perhaps embrace 'cause I was talking to the actual,
13 ah, inventor of the internet, you know, it wasn't Al
14 Gore, it was actually Vint Cerf, and he said to me we
15 should not let a crisis go to waste. So given New
16 York and New York City, the [inaudible] here it
17 became clear to me that we must also focus our
18 attention on...

19 SERGEANT AT ARMS: Time's expired.

20 CLAYTON BANKS: Can I just give one or two
21 quick, um, advisements?

22 COMMITTEE COUNSEL: Yes, please.

23 CLAYTON BANKS: All right. Tech-enabled
24 workforce development, I think there's an opportunity
25 here to do working spaces where our owners can get,

2 ah, digital skills. Ah, broadband, we've already
3 talked about, and we are in ISP as well. Ah, tech-
4 enabled government services, data-drive customized
5 reopening plans, and telehealth workers benefit. I
6 will submit my entire, ah, testimony so you can read
7 the details of each of those.

8 CHAIRPERSON HOLDEN: Thank you.

9 COMMITTEE COUNSEL: Thank you, Mr. Banks.
10 We'll now hear from Jessica Walker of the Manhattan
11 Chamber of Commerce, and she will be followed by Ryan
12 Naples of Tech NYC.

13 JESSICA WALKER: Hi, and thank you...

14 SERGEANT AT ARMS: Time starts now.

15 JESSICA WALKER: Thank you. I'm Jessica
16 Walker, the president and CEO of the Manhattan
17 Chamber of Commerce. We represent the business
18 community across the borough. Ah, thanks for holding
19 this hearing. Ah, really thank you for, ah, all
20 you're talking about. On the fining issue, I know
21 that's not the focus today, but we have heard horror
22 stories, so happy to follow up on some of that. Ah,
23 but I, I think I just want to say, listen, tech is
24 not just a tool to help. It has to be one of the
25 major solutions here. New York City has been in the

2 fourth and final phase of reopening since July 20 and
3 commerce has gradually resumed. But for all intents
4 and purposes the city remains in an extended pause.
5 Full economic recovery is unlikely so long as
6 consumers avoid activities they perceive as putting
7 them at risk of exposure to the COVID virus. That's
8 been said, ah, but it's absolutely true. Ah, a
9 national survey found that most Americans, 64%, are
10 not currently engaging in normal out-of-home
11 activities, and approximately one in five Americans,
12 ah, will not do so until there is a vaccine and
13 treatment for COVID-19. So that is what is
14 depressing small business revenues and driving demand
15 for online shopping. Um, and unfortunately it's not
16 going to change any time soon. Um, I think, you
17 know, one of the things I've been trying to drive
18 home recently is that a lot of people believe that
19 once we have a vaccine that life is just going to,
20 you know, ah, return to normal. Ah, and I, I think
21 it's tempting to think about sort of an on-off
22 switch, that it's gonna bring back, ah, bring life
23 back to, ah, to the way we know it. But everything
24 we know, um, health experts are telling us that we
25 may have a, vaccine soon, but it's not gonna be

2 widely available before summer or maybe early fall.

3 Ah, there's gonna be some hesitancy to take it and,

4 ah, and so we might be going into 2022 still wearing

5 face masks [inaudible]. Um, so all of that is to say

6 if small businesses are not able to adapt and compete

7 in this new online marketplace, they are unlikely to

8 survive another year, um, and, and be able to make to

9 the other side of this crisis. Ah, quickly, I just

10 want to tell you there is a lot happening. Ah, we

11 have been working with the Small Business Resource

12 Network, which all five chambers are involved in. We

13 have imbedded a tech support specialist to help on

14 the ground, ah, and so we're ramping that up. There

15 are numerous, ah, large tech companies that have made

16 free training available. Ah, we launched a small

17 business tech academy, which really has the immediate

18 goal of trying to help retailers get, ah, an e-

19 commerce website quickly so they can take advantage

20 of holiday shopping. Ah, and we're testing out a

21 model for Small Business Saturday that's created an

22 online platform to draw consumers in to support small

23 businesses. Happy to chat more about that. Ah, just

24 quickly, I think what we need is some help, ah, from,

25 from elected officials to publicize our Small

2 Business Resource Network, which is available to any
3 small business throughout the city for free, ah, all
4 five boroughs. Ah, there is need for funding as well
5 to help, ah, some small businesses adopt tech
6 solutions as there is a cost for some. Ah, and of
7 course we continue...

8 SERGEANT AT ARMS: Time's expired.

9 JESSICA WALKER: Ah, quickly, we just
10 continue to need significant federal funding to, ah,
11 help the city's small businesses and restaurants, and
12 of course to encourage New Yorkers to shop local.
13 Thank you.

14 CHAIRPERSON HOLDEN: Thank you.

15 COMMITTEE COUNSEL: Thank you very much.
16 We will now hear testimony from Ryan Naples of Tech
17 NYC and he'll be followed by Michael Brady of the
18 Third Avenue BID.

19 RYAN NAPLES: Thank you. So, good
20 afternoon...

21 SERGEANT AT ARMS: Time starts now.

22 RYAN NAPLES: Thank you. My name is Ryan
23 Naples and I'm deputy director of Tech NYC, a
24 nonprofit coalition of more than 800 technology
25 companies in New York. Our city's tech industry

2 currently employs 330,000 people and since the
3 pandemic began our ecosystem has assisted small
4 businesses in innovative ways. Technology firms and
5 the people who work at them inherently understand
6 that the success of New York City small businesses is
7 directly linked to the success of the city itself.
8 My testimony includes examples of technology
9 companies helping small businesses and is a
10 representative summary of our industry efforts, not a
11 comprehensive list. Tech New York itself helped
12 developed the state's COVID alert New York exposure
13 notification app, which alerts users in close
14 proximity to someone who reports testing positive for
15 COVID-19 and then offers instructions for what to do
16 next to stop the spread. Downloaded more than
17 800,000 times, this app is needed for contact
18 tracing, which is key to getting New Yorkers back to
19 supporting local businesses in person. Tech
20 companies are creating additional tools so that
21 everyone can again feel both safe and comfortable
22 working, shopping, and dining indoors. Recently the
23 company Clear developed a mobile app called Health
24 Pass that connects a person's digital identity to a
25 COVID-related symptom survey, on-site temperature

2 check, and future vaccination record. Clear is
3 donating free app enrollments to New York City small
4 businesses and restaurants. Of course, the
5 restaurant industry has been one of the hardest hit
6 by the pandemic and since the crisis began online
7 delivery network companies have provided millions of
8 dollars in direct restaurant support. Google has
9 also provided grants to hard-hit businesses, in
10 addition to creating a pilot program that will help
11 build e-commerce website for 150 small businesses in
12 New York City. Also since March online retailers On
13 Deck and Cross River and Just Works, a provider of
14 online HR tools, have helped small businesses obtain
15 over one billion dollars in paycheck protection
16 program loans. Square Space, an all-in-one platform
17 for development websites, is supporting its small
18 business customers by offering one-to-one financial
19 support and making premium features available at no
20 cost. Accenture provides financial support and built
21 a digital platform for Sky's the Limit, a nonprofit
22 that connects business owners from under-represented
23 communities with no-cost mentorship, training,
24 specialized advice, and start-up grant funding.
25 Finally, in New York individual live performers are

2 themselves small businesses. Through Airbnb's new
3 online experiences that feature the cast of Broadway
4 musicals, this home-sharing, ah, platform is helping
5 hundreds of artists earn income while live
6 entertainment remains closed. There are, of course,
7 more examples of how tech has helped small businesses
8 and I would be happy to follow up with everyone to
9 provide additional examples. Also, please feel free
10 to refer any small businesses to Tech NYC that are
11 looking for technological assistance.

12 SERGEANT AT ARMS: Time's expired.

13 RYAN NAPLES: Thank you. I would say
14 thank you for your time and I'd be happy to take any
15 questions.

16 CHAIRPERSON HOLDEN: Thank you.

17 COMMITTEE COUNSEL: Thank you. We will
18 now hear from Michael Brady of the Third Avenue BID
19 and he will be followed by Noel Hidalgo of Beta NYC.
20 Mr. Brady, please begin when the sergeant gives the
21 cue.

22 SERGEANT AT ARMS: Time starts now.

23 MICHAEL BRADY: Good afternoon. Ah,
24 thank you, Chair Gjonaj, Chair Holden, and the
25 members of the New York City Council Committee on

2 Small Business and Committee on Technology. Ah,
3 thank you for the opportunity to speak on the impact
4 of and need for technology for our city's small
5 businesses. I'm Michael Brady, chief executive
6 officer of the Third Avenue Business Improvement
7 District and Bruckner Boulevard commercial corridor,
8 both located in the South Bronx. Collectively, these
9 organizations represent roughly 1000 South Bronx,
10 largely immigrant-owned, mom and pop businesses. The
11 work of these organizations directs various
12 [inaudible] small and micro business owners and
13 [inaudible] robust equitable economic development
14 tools by demanding equitable city resources, safer
15 and cleaner streets, and responsible mission-driven
16 development. I'm from the Bronx, where the
17 unemployment rate hovers at 30%. I'm also from the
18 Bronx, the same borough that was disenfranchised by
19 New York City's COVID-19 assistance programs. I'm
20 also from the Bronx, where we live in a technology
21 desert, one without necessary investment in even
22 basic tech infrastructure. New York's small business
23 community is precariously close to becoming extinct.
24 Sadly, New York City and State did not mobilize early
25 enough, nor have sufficient resources been deployed

2 to assist small businesses. With the onset of the
3 second wave of COVID-19, which will either shutter or
4 severely limit in-person businesses, our small
5 businesses and neighborhoods need extraordinarily,
6 extraordinary technological investments. Shockingly,
7 many of these investments do not require tremendous
8 financial resources. We propose that New York City
9 adopt the following strategy and plan for tech
10 integration into small businesses. Yes, that's
11 right, I said a plan, something that New York City
12 currently does not have. I'll go through high-level
13 points. The detail is in my testimony. Um, number
14 one, internet for all. As we learned during COVID-
15 19, the first COVID-19 shutdown, many businesses,
16 homes, shelters, and communities lack access to
17 [inaudible] and reliable internet. New York City
18 could easily create a system whereby everyone would
19 have access to free or low-cost internet. A recent
20 quote from the agency Block Power puts a 9 million
21 dollar price tag to bring free internet access to the
22 entire borough of the Bronx. This internet access
23 would not only stabilize the community, but it would
24 also assist small businesses, vendors, and
25 entrepreneurs in expanding their reach and quickly

2 processing payments. The Point CC in partnership
3 with organizations like Green Yard and Proscolis have
4 been doing outstanding work in this area and should
5 be leveraged for their expertise. Number two, launch
6 a citywide e-commerce program. New York City should
7 issue an RFP to an e-commerce developer to create a
8 process and program to offer e-commerce build-outs,
9 trainings fulfillment, and distribution planning and
10 workforce tools to any New York City small business
11 with fewer than 20 employees. While I know we're in
12 a financial crisis and all solutions need to be
13 budget neutral, I can't help but think that offering
14 this lifeline to stabilize our city and in the long
15 term, in the long term, and also leverage the playing
16 field with e-commerce giants. Number 3, New York
17 City should move to cap fees and percentages charged
18 by distribution sites or marketplaces like Amazon
19 Marketplace.

20 SERGEANT AT ARMS: Time expired.

21 MICHAEL BRADY: May I continue?

22 CHAIRPERSON HOLDEN: Yes.

23 CHAIRPERSON GJONAJ: Yes, Michael.

24 MICHAEL BRADY: Number four, ah, provide
25 professionalized digital marketing services for any

2 small business that wants one. Websites, social
3 media, point of sales system integration, the concept
4 of an app and QROs. All of these are required to
5 compete in the COVID-19 world. Sadly, we have not
6 invested small businesses appropriately in the past,
7 nor have we deployed the appropriate resources to
8 ensure our city's small businesses remain competitive
9 locally and globally. Five, invest in CDFIs and
10 financial technology for long-term access to capital.
11 Number six, invest in citywide thermal mapping to
12 monitor shifts in consumer trends, behavior, and
13 pedestrian foot traffic to better assure that should
14 another pandemic come about we understand how
15 consumer behavior change, changes, and can brace our
16 small businesses for that reality. Number seven,
17 ensure that small businesses are equipped to address
18 the changing and challenging regulatory environment
19 of tech integration. Small businesses currently deal
20 with over 4000 regulations governing our brick-and-
21 mortar businesses in New York City. Ah, the, by
22 integrating technology this, this dramatically
23 increases those regulations as, as the integration
24 can span regulations in multiple states, territories,
25 and countries. Number eight, remove the hurdles of

2 working through New York City agencies, like Do It,
3 and major utilities and providers, while also
4 building out appropriate programs in the area of
5 cyber security. James Patchen and the New York City
6 EDC have done a great deal of work in the area of
7 cyber security. We must leverage that work and
8 leverage it now. The aforementioned plan is not
9 exhausted and there are certainly much smarter people
10 in the room who can flesh out specifics. However,
11 these points represent a plan, a plan. Something
12 that New York City has not come up with. This is
13 something that is currently lacking from the
14 administration and must be addressed before even more
15 small businesses, the proverbial backbone of New York
16 City, shutter forever. The public health impact has
17 been great and the subsequent economic impact will
18 have a lasting effect on our city for at least a
19 decade. It is my hope that this body not only
20 understands the severity of COVID-19's impact, but
21 will take, take meaningful and purposeful steps to
22 implement a comprehensive plan to address it. Thank
23 you for the opportunity to speak today. I will take
24 any questions you may have.

2 CHAIRPERSON GJONAJ: Thank you, Michael,
3 for that, ah, incredible outline of a plan. We're
4 grateful to you.

5 COMMITTEE COUNSEL: Thank you very much.
6 Ah, we'll now hear from Noel Hidalgo of Beta NYC,
7 followed by Kosan Sherpafectok. Um, Noel Hidalgo,
8 please begin when the sergeant gives the cue. Thank
9 you.

10 SERGEANT AT ARMS: Time starts now.

11 NOEL HIDALGO: Happy Halloween,
12 everybody. Ah, Beta NYC envisions an informed and
13 empowered public that can leverage civic technology,
14 ah, data and design to hold government accountable,
15 improve their economic opportunity. Ah, we have over
16 5000 civic hackers who are ready to use your talents.
17 Um, we really focus on the people inside of the
18 city's technology community. I want to start off by
19 just saying that the current neighborhood challenge,
20 the tech forward, ah, platform is really a
21 distraction of time, energy, and resources. We know
22 what small businesses needs and this administration
23 refuses to address their number one, the number one
24 need, which is space. Ah, we've seen, Beta NYC has
25 been a member of the North Brooklyn Open Streets

2 Community Coalition, ah, and we've seen exactly how
3 open streets have helped support small businesses.
4 We know that the mayor's open storefronts
5 announcement is woefully inadequate. First of all,
6 it prioritizes businesses in Manhattan and some parts
7 of Brooklyn and doesn't work for a majority of New
8 Yorkers. A majority of the city's sidewalks are
9 narrower than eight feet, which is the minimum that
10 is needed for small businesses, ah, to do business in
11 front of their space. Ah, also it prevents our
12 city's small businesses with limit, limited
13 storefront spaces on narrow sidewalks from doing any
14 business in a pandemic-safe way. So we immediately
15 call upon the mayor to let small businesses and
16 street vendors operate in the same manner, ah, that
17 restaurants, ah, have done so and that they should be
18 able to utilize, ah, the street. Second, we are
19 eagerly waiting for the city's dataset on vacant
20 storefronts. This is a piece of legislation that was
21 passed last year. Our research team provided ample
22 background and information on how storefront spaces,
23 vacant storefront spaces can help improve small
24 businesses in this time period where there are many
25 small businesses that may need larger spaces. We

2 want this data so that we can analyze it. Um, we
3 need this data immediately. It's due, where is it?
4 Third, ah, during the pause we helped many small
5 businesses get back on their feet by updating their
6 information. Google Maps, Yelp, Four Square, all
7 were providing inaccurate information. In response
8 to this need, ah, we helped mutual aid groups and
9 community groups start crowdsourcing information
10 about essential services. We built this as an open
11 platform. It's called Open Maps, with nine community
12 organizations across Manhattan, Brooklyn, and Queens.
13 These apps met the immediate needs of elder, elderly
14 and immunocompromised neighbors, ah, and if you want
15 help, if you want assistance, if you're part of a BID
16 that you want to get information about your small
17 businesses in your neighborhood, we're here to help
18 you. We would love to this get platform out. Um,
19 it's amazing that we have been advertising this
20 platform and this opportunity to promote small
21 businesses throughout the pandemic, um, and somehow
22 it has fallen on deaf ears at SBS and the CTO's
23 office. Fourth, at a time when digital literacy is
24 paramount we are very, very disappointed that the
25 City Council cut funding...

2 SERGEANT AT ARMS: Time's expired.

3 NOEL HIDALGO: ...to support digital
4 literacy initiatives, ah, and this directly affected
5 community boards' ability to learn new technologies
6 and support community issues around small businesses'
7 needs. With that, I'll submit the rest of my
8 testimony, ah, in written format. Thank you.

9 CHAIRPERSON HOLDEN: Thank you, Noel.

10 Ah, I have a question, Chair. Ah, and, um, this can
11 go to any of the panelists that, that just testified.
12 Um, is there data that indicates what the average
13 cost of setting up a basic website with e-commerce
14 capabilities? Is there any data on that? And that
15 goes for anybody?

16 UNIDENTIFIED: Um, the, there a number of
17 online turnkey solutions, um, that somewhere, you
18 know, depending upon how you want to host it, um,
19 it's less than a couple hundred dollars.

20 CHAIRPERSON HOLDEN: Thank you, ah,
21 because it, it seems that some of the businesses are,
22 are, you know, just in a fog about it. And the,
23 these are the smaller businesses that, ah, want to
24 set up a basic website. We know about, what, 40% of
25 the small businesses don't have a website. So, um,

2 they need that e-commerce capability and, you know,
3 so just a few hundred dollars seems like it's doable.
4 And Noel, by the way, thank you for your testimony.
5 We always rely on you, ah, for information and, ah, I
6 wish the city agencies would listen.

7 NOEL HIDALGO: And, Chair Holden, I, I
8 would just, you know, expand upon that, that, you
9 know, in addition to building out the, the website
10 capacity, I think the, the real barrier for e-
11 commerce is getting those small businesses into those
12 distribution centers and marketplaces so they'll have
13 a, a broader market share, and then relying perhaps
14 on the City Council or [inaudible] to, um, to, ah,
15 cap the Amazon marketplace fees that, that are put on
16 those businesses.

17 CHAIRPERSON HOLDEN: Right.

18 UNIDENTIFIED: Hi, um, Chair Holden. I
19 was gonna be, in my testimony addressing your
20 question, um, my company's, um, primarily targets
21 small businesses like restaurants and mom and pop
22 stores. I also want to bring to your attention that,
23 um, Amazon recently implemented a new marketplace
24 where previously they did not charge small businesses
25 for selling on their platform, but now they're

2 charging a \$40 monthly fee. But I'll go into that in
3 my testimony.

4 CHAIRPERSON HOLDEN: OK, thank you. OK.
5 Back to committee counsel. You're muted.

6 COMMITTEE COUNSEL: Thank you, and just a
7 reminder to all panelists to please stay on mute
8 until you are called to testify. At this point we
9 will move on to Albert Kahn of Stop Spying, followed
10 by Helen Kogan of Empower. And Mr. Kahn please begin
11 when the sergeant...

12 CHAIRPERSON HOLDEN: I'd just like, could
13 I just ask a question of the counsel? Um, at some
14 hearings we, we do panels, like four panels at a
15 time, and then we ask questions of the panels. Do
16 you want to ask questions of individual panelists,
17 um, or do you want it like a group of panelists?
18 That, that's what I, you know, I don't know this was
19 set up, this, ah, the questions and answers, 'cause
20 I, I had, that was a broad, that was a broad question
21 for the panelists that already spoke. So should we
22 do individuals?

23 COMMITTEE COUNSEL: Ah, Council Member,
24 yes. Before this hearing was set up [inaudible]

2 would ask, council members would ask questions of
3 each individual panelist.

4 CHAIRPERSON HOLDEN: OK, that's all.
5 [inaudible].

6 COMMITTEE COUNSEL: And if you wish to go
7 back to another panelist, please, ah, just call out
8 their name so the muter knows who.

9 CHAIRPERSON HOLDEN: OK, thank you.

10 COMMITTEE COUNSEL: Thank you. And Mr.
11 Kahn you may begin once the sergeant gives you the
12 cue. Thank you.

13 SERGEANT AT ARMS: Time starts now.

14 ALBERT KAHN: Thank you so much for
15 letting me testify today. My name is Albert Fox Kahn
16 and I'm the executive director of Stop, the
17 surveillance technology oversight project, and the
18 presentation I'll be giving today is a small excerpt
19 of the longer written statement that has been
20 submitted for the record. You know, today we met a
21 new, ah, landmark in COVID-19, a national record in
22 the number of infections. So when we're talking
23 about small businesses reopening, yes, it is an
24 economic catastrophe for so many business owners
25 across the city. But it's a matter of life and

2 death. And today I want to focus on the technology
3 that's being pedaled to small businesses. Oftentimes
4 unproven, untested, unverified, not FDA approved,
5 being marketed as way to keep New Yorkers safe from
6 COVID-19, even though there's no evidence it works.
7 We've seen a proliferation of thermal imaging
8 products, facial recognition products,
9 algorithmically driven, ah, software apps that are
10 supposed to tell people if they're at risk of COVID-
11 19. But while these apps sound incredible, like they
12 could really make such a difference in our lives
13 during this crisis, the truth is we oftentimes don't
14 know if they actually live up to the record, or if
15 this is just another [inaudible], just another high-
16 tech snake oil, ah, sales job. We've seen several of
17 these apps, such as, ah, thermal imaging scans be
18 disproven, shown to be unreliable, that with, when
19 you have a, when you're trying to take someone's
20 temperature, when you're doing it remotely over a
21 distance using a thermal imaging camera it's far less
22 reliable than when you're actually taking someone's
23 temperature manually. But on top of that, a
24 temperature doesn't actually correlate effectively
25 with COVID-19 infection. So this doesn't actually

2 help tell us if New Yorkers are, um, infected. We
3 also see, ah, a number of new air filtration
4 technology, ah, being deployed without guidance on
5 which systems work, how well they work, how many are
6 needed for a certain amount of physical space. And
7 so you have, you know, um, New York, New Yorkers
8 trying to figure this stuff out themselves, trying
9 to, to make their businesses safe, but really needing
10 guidance on what works and what doesn't, and the FDA
11 hasn't been, ah, keeping up with this. The federal
12 government has largely immunized these companies
13 against liability, ah, for rolling out new technology
14 during the pandemic. And, above all, we need privacy
15 protections, and we want to renew our call on the
16 governor to sign Senate Bill 8451, which passed over
17 the summer, that would prevent a lot of the contact
18 tracing data we see being collected through these
19 platforms from being accessed by police or ICE,
20 'cause one thing that we're very concerned about is
21 seeing this technology, seeing these highly invasive
22 tools which may not work at stopping COVID being
23 hijacked by law enforcement or immigration
24 enforcement to be turned into a new way to track all
25 New Yorkers, and that's something we can't allow to

2 happen. Thank you so much for giving me the
3 opportunity to testify.

4 CHAIRPERSON HOLDEN: Ah, thank you, Mr.
5 Kahn. Um, you know, we've, we've seen that, ah, that
6 without the science, um, we're, we're kind of blind
7 and we, it's almost like, um, snake oil salesmen have
8 descended upon, ah, society, because we, we're not
9 sure what works. So, um, what do you see as the
10 biggest risk for both businesses and their customers
11 in using surveillance technology and collecting
12 biometrics?

13 ALBERT KAHN: There are several risks.
14 One is just that people aren't gonna waste money. A
15 lot of business owners are going to buy technology
16 that doesn't do what it's supposed to. Number two,
17 we're gonna, I think collecting information, highly
18 invasive information that can then be weaponized, and
19 not just by, you know, the NYPD and government
20 agents, which are always just one subpoena away from
21 taking this information, but also by, ah, hackers,
22 by, ah, people who try to break into these systems,
23 by people who are selling this data, data that we
24 give as part of a public health effort, ah, to only
25 then have it be used by ad tech and be used by

2 marketing companies. We, and we also have to
3 recognize that this crisis, what we accept as normal
4 and acceptable, as part of our, ah, you know, civic
5 infrastructure during this crisis is likely to become
6 a permanent facet of, of New York life. And, and if
7 we allow this sort of really invasive tracking during
8 the COVID-19 pandemic we're likely to see it for
9 years to come. But really I, I think that, you know,
10 the council can take action by, um, outlawing some of
11 these technologies such as the more, ah, error-prone
12 and biased, ah, biometric tools. You can also take
13 action by protecting the privacy of this information.
14 And you can also work with the administration to try
15 to educate small business owners about how unreliable
16 many of these tools are. But, you know, I, I think
17 that there's a real risk that as long as people don't
18 have, you know, clear scientific guidance and there's
19 this risk of potential liability people use this
20 public health theater to create the illusion of
21 safety when we don't actually know in some of these
22 cases what to do to give people real safety.

23 CHAIRPERSON HOLDEN: Great, thank you so
24 much, Mr. Kahn.

25 ALBERT KAHN: Thank you.

2 COMMITTEE COUNSEL: Thank you very much.

3 We'll now hear testimony from Helen Kogan of Empower,
4 followed by Nicole Kahn. And Ms. Kogan, please begin
5 when the sergeant gives the cue. Thank you.

6 SERGEANT AT ARMS: Time starts now.

7 HELEN KOGAN: Thank you so much for this
8 opportunity to speak with you on this timely and very
9 important matter. Um, I am the executive director of
10 Empower New York. We are a workforce development and
11 technology training program, a free program,
12 nonprofit, for young adults. The impact of the
13 pandemic on daily life is unprecedented and has
14 elevated the need for access to technology as a way
15 of life, and we all know that. Um, this has had a
16 disparate impact on poor and low-wealth communities,
17 limiting their access to education and employment
18 opportunities. In addition to the disproportional
19 health and economic impact of the pandemic, it has
20 illuminated for all of you, and we know this, the
21 breadth, the breadth of the digital divide. Small
22 businesses and nonprofits that serve the community
23 have been negatively affected because of limited
24 technology capacity and demand for, demand for tech
25 [inaudible]. With the support of capital funding

2 Empower is in position to develop a community health
3 desk to sustain local small businesses and nonprofits
4 with tech support needs. Empower is extending our
5 recommendation to the New York City Council to
6 undertake a broad-based reinvestment and
7 modernization of capital funding specifically related
8 to technology. Investment in new technology
9 standards for funding will help close the digital
10 divide, maximize tech reach, and improve citizen
11 digital literacy with the deployment of tech-enabled
12 infrastructure. [inaudible] leaders and business
13 professionals across New York understand that our
14 infrastructure needs new, needs major reinvestment
15 and modernization. This forces us to carefully
16 consider the potential impact of pursuing a new model
17 for capital funding and financing tech
18 infrastructure. Currently the useful life guidelines
19 for capital funding for tech budgets consists of
20 computer hardware, software, and networks. Um, they
21 have a useful life of three years after completion or
22 installation. Additionally, the city guidelines will
23 fund software under [inaudible] fund software unless
24 licenses are transferrable to the city or the city's
25 [inaudible]. Given that COVID-19 has changed the way

2 we live or can teach in our communities we need to
3 evolve different levels of tech needs. Empower urges
4 the New York City Council to update its capital
5 funding investment in technology and its guidelines
6 for relocation of funds to tech needs of the larger
7 community of constituents. During these under,
8 under-resourced, or under-resourced and resource-
9 constrained times when the city and nonprofits like
10 Empower that rely on tech [inaudible] we need to
11 remove barriers of the digital divide. Collectively
12 this reinvestment of capital funding in Wi-Fi
13 hotspots, software will be used to transform how
14 technology is accessed in New York City and increase
15 digital literacy. New York City needs to move beyond
16 traditional tech capital funding. Our city's core
17 attributes interconnectivity. This requires that we
18 be more flexible to meet the digital demand and
19 provide more capital funding opportunities. Empower
20 will be....

21 SERGEANT AT ARMS: Time's expired.

22 HELEN KOGAN: ...proving follow-up
23 conversation with the Committee on Small Business and
24 the Committee on Technology to continue exploring
25

2 their review of capital funding guidelines. Thank
3 you.

4 CHAIRPERSON HOLDEN: Thank you.

5 COMMITTEE COUNSEL: Thank you very much.

6 We will now move on to Nicole Kahn and she will be
7 followed by Guy or Gee Yedwab of the League of
8 Independent Theaters, who is our last registered
9 panelist. And Ms. Kahn you may begin when the
10 sergeant gives you the cue. Thank you.

11 SERGEANT AT ARMS: Time starts now.

12 NICOLE KAHN: Ah, City Council, I run a
13 small boutique [inaudible] which primarily works with
14 small businesses, restaurants, and mom and pop
15 stores. We provide menus for restaurants that enable
16 them to [inaudible] online delivery, um, delivery
17 mechanism. It does not require them to learn any
18 software. It's friendly to things they already know,
19 such as email, text, and phone. And the best part of
20 this is that they increase their delivery revenue at
21 no cost to them. There is no fees associated with
22 using our website, just the initial setup of the
23 website. And as far as restaurants in the area had
24 noticed increase in sidewalk traffic and people
25 waiting for restaurants I propose creating a cueing

2 app where patrons can be notified by text messaging
3 when, um, a seat is available in a restaurant, or
4 they can enter a store to avoid having people
5 standing around the sidewalks. Also we can also, um,
6 employ [inaudible] Wi-Fi standards to allow, let's
7 say, a row of, um, businesses on one side of the
8 street to one internet connection. OK, and also, um,
9 I'm an advocate and I would like to see some sort of
10 technology implemented so people can contact the city
11 [inaudible] any kind of issues. Constituents,
12 including myself, have been trying to contact the
13 City Council for months. I started a petition
14 regarding housing and evictions. The City Council
15 created a, um, law last year banning, um, the use of
16 landlords for security deposit over one month. This
17 is preventing a lot of people from [inaudible] where
18 they can no longer afford the apartment they're in
19 and they don't qualify for, um, you know, a new
20 apartment. [inaudible] and emails I've sent
21 [inaudible] still not responding to [inaudible]
22 whatsoever. Also, um, restaurants they can utilize
23 we're thinking of creating, um, a convection-based
24 heating technology to kill COVID in the air with
25 heat, which will also enable them to warm the, um,

2 inner restaurants or, you know, spaces. Funding for
3 that would be needed. Also I have interacted with
4 the NYPD and I was a victim of a hate crime. I tried
5 to file multiple police reports and these reports
6 were not accurate. Information was intentionally
7 left out of this report. I propose you guys create
8 a, utilize technology to enable people to file police
9 reports where this does not happen, that people do
10 not get marginalized who are marginalized, don't get
11 left out, don't [inaudible] resources, etcetera. And
12 that's the end of my testimony and I will be able to
13 take any questions, and I would love to, um, employ
14 these technologies, especially for restaurants and
15 small businesses.

16 CHAIRPERSON HOLDEN: Thank you.

17 COMMITTEE COUNSEL: Thank you very much.

18 We will now hear from Mr. Yedwab of the League of
19 Independent Theaters, who is our last registered
20 panelist, and you may begin when the sergeant gives
21 you the cue. Thank you.

22 SERGEANT AT ARMS: Time starts now.

23 GUY YEDWAB: Great. Thank you to the
24 committee for the opportunity to testify today. I'm
25 Guy Yedwab, board president of the League of

2 Independent Theater. We're an advocacy organization
3 that represents small-size, ah, theaters in all five
4 boroughs in every community across the city. We're
5 also a member of the United for Small Business NYC
6 Coalition of Legal Services and Small Business
7 Organizations fighting to defend small business
8 across the city. In 2019 before this, ah, COVID
9 crisis began the Mayor's Office of Media and
10 Entertainment issued a report on the economic impact
11 of small theater, ah, in New York City, documenting
12 how small theater generates 1.3 billion dollars of
13 economic input and 8400 full-time jobs. The report
14 also highlighted that one of the top challenges
15 impacting our industry before the crisis was a
16 shortage of working space. Ah, live performance has
17 to be done in physical spaces, ah, in order for these
18 businesses to operate. As commercial rents climb
19 higher and landlords turn towards luxury spaces to
20 maximize revenue, we were already fighting the
21 closure of rehearsal and performance space.
22 Obviously that crisis has only intensified. We might
23 be a year away from live performance returning, ah,
24 and the Center for an Urban Future found the small-to
25 mid-size organizations have lost between 17% to 50%

2 of their operating budgets. We've already seen a
3 number of physical spaces, theaters, and rehearsal
4 studios going out of business permanently. The top
5 way that City Council can address this crisis is by
6 using City Council's power over commercial rents to
7 provide rental relief. But the top ways that City
8 Council can use technology to address our industry,
9 ah, is some ways to, ah, make spaces that exist today
10 more equitably accessible to performing artists, both
11 during the crisis and into the long-term future. By
12 creating websites that make available space more
13 transparently accessible and searchable, the city can
14 help unlock resources we already have in our
15 communities. First, we call upon these committees to
16 support Council Member Cumbo's intro, ah,
17 Introduction 2034, which requires, ah, the Department
18 of Information Technology and Communication to create
19 a mobile application to coordinate the use of open
20 space for cultural programming. These would allow
21 live performance to take place in parks and plazas
22 and really open up some of the space that already
23 exists. Secondly, ah, we call on City Council to
24 help provide funding for a nonprofit called Indy
25 Space. There used to be a search engine where we

2 could find other performance venues and, ah, and
3 rehearsal studios. Unfortunately, ah, it went under
4 due to the crisis. So we no longer have a way to
5 search those spaces. These two ways of being to
6 search for available spaces can greatly unlock the
7 resources that we all have today with minimal
8 investment in technology and huge social, ah, and
9 economic, ah, dividends. Ah, thank you all for your
10 time and your support for our committee.

11 CHAIRPERSON HOLDEN: Thank you.

12 COMMITTEE COUNSEL: Thank you very much.

13 Ah, at this point if we have inadvertently missed
14 anyone who is registered to testify today and has not
15 yet been called please use the Zoom raise hand
16 function and you will be called in the order that the
17 hand was raised. OK, seeing none, at this point I
18 would ask Chair Gjonaj or Chair Holden to offer any
19 closing remarks and adjourn the hearing. Thank you.

20 CHAIRPERSON GJONAJ: Chair Holden, ah, I
21 want to thank you for cochairing this hearing with
22 me. Obviously, um, [inaudible] on, um, focusing this
23 hearing, which should have been how we're going to
24 use technology to help our small businesses survive
25 this pandemic and this crisis. Um, I was hoping to

2 hear more from, as I'm sure you were, ah, to hear
3 from SBS on clear solutions and [inaudible]
4 testifying [inaudible]. New York City has no
5 [inaudible] dire straits that our small businesses
6 are in. So we're gonna hopefully hear back on some
7 of the questions that were posed to the
8 administration. Chair, I'm looking forward to
9 continue fighting for these small businesses so they
10 can survive. Thank you.

11 CHAIRPERSON HOLDEN: Ah, I want to thank
12 you, Chair Gjonaj, for this important hearing. We
13 did, um, we did have to address certain and very,
14 very important issues that had arisen very, very
15 recently, um, and, but the technology, a good thing
16 about, ah, at least on the technology side, um, we've
17 connected with organizations like Tech NYC and Beta
18 New York City, who do a terrific job and I'd like to
19 meet with them to discuss this further, and I'd like
20 to hear from them, um, you know, when we go offline
21 and talk more about future hearings on this, because
22 I don't think, like you said, I don't think that
23 we're getting the right answers from the
24 administration on how to save our small businesses,
25 how to help our small businesses, and how to give

2 them advice on technology. So it's up to the
3 organizations we heard today that testified, ah, to
4 guide us, apparently. Because we're not getting, um,
5 the information from our agencies, our city agencies.
6 So, um, we're gonna have further hearings on this.
7 This is very, very important. It looks like we're
8 not coming out of the pandemic any time soon. So
9 we're gonna rely on tech to try to help us, ah,
10 hasten the exit and, and how to get back to some kind
11 of normal situation in New York City. Thank you,
12 Chair Gjonaj, and thank you, um, committee counsel
13 for this hearing.

14 CHAIRPERSON GJONAJ: I'll give you the
15 honors of, ah, closing out the hearing, Chair Holden.

16 CHAIRPERSON HOLDEN: Well, I'll, if
17 there's no more testimony, there's nobody else, so,
18 ah, this meeting is adjourned.

19 UNIDENTIFIED: Chair, someone's hand is
20 raised.

21 CHAIRPERSON HOLDEN: Oh, we've got one
22 more, OK.

23 NICOLE KAHN: Hi, I just wanted to, um,
24 ask if what [inaudible] the, um, issues that I raised
25 regarding, you know, providing the small businesses

2 with the technology, the housing-related technology
3 of contacting the City Council, etcetera, 'cause I've
4 tried relentlessly to contact the City Council via
5 email and have received no response from anyone.

6 CHAIRPERSON HOLDEN: Whose, whose office
7 did you, ah, try to contact?

8 NICOLE KAHN: I contacted, um, each
9 individual committee, each individual, um, council
10 member, the speaker.

11 CHAIRPERSON HOLDEN: OK, if you, if you
12 contact either Chair Gjonaj's or my office we'll,
13 we'll definitely respond.

14 NICOLE KAHN: All right, thank you.

15 CHAIRPERSON HOLDEN: OK.

16 CHAIRPERSON GJONAJ: Ms. Kahn, I'll give
17 you a phone number for my office, and asked for
18 Reggie Johnson, my chief of staff, and I'm happy to
19 help to address your concerns. That number is 718-
20 931-1721.

21 NICOLE KAHN: Thank you.

22 CHAIRPERSON GJONAJ: Thank you. Chair
23 Holden, want to close us out?

24

25

1 COMMITTEE ON SMALL BUSINESSES
2 JOINTLY WITH TECHNOLOGY

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3 CHAIRPERSON HOLDEN: OK. Um, thank you,
4 everyone, for the hearing. This hearing is
5 adjourned.

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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 21, 2020