



Legislation Text

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Res. No. 1485

Resolution calling on the Governor to create a State funded grant program to support undocumented business owners devastated by the COVID-19 pandemic.

By Council Members Louis and Rosenthal

Whereas, The outbreak and spread of COVID-19 in the United States has caused governors across the Country to implement mandatory stay-at-home-orders; and

Whereas, In New York, Governor Cuomo signed the New York State (NYS) on PAUSE executive order on March 20th, which mandated the closure of all non-essential businesses statewide; and

Whereas, Essential businesses that were permitted to remain open were required to comply with strict social distancing rules; and

Whereas, As New Yorkers sheltered in place to stop the spread of the virus, businesses in New York City (NYC) experienced massive declines in revenue; and

Whereas, According to Governor Cuomo, over 100,000 small businesses have closed permanently across NYS due to their inability to continue to pay fixed costs throughout the pandemic, including rent and employee payrolls; and

Whereas, Businesses owned by undocumented immigrants have been especially vulnerable to the economic devastation caused by the COVID-19 pandemic; and

Whereas, According to a July 2020 study by researchers at the National Bureau of Economic Research (NBER) on COVID-19's impact on small business owners, over one million immigrant-owned businesses closed across the country from February to April; and

Whereas, The Business Center for New Americans, which services NYC businesses owned by

immigrants and refugees reported that 80 percent of the businesses they work with have closed due to the pandemic; and

Whereas, Federal, State, and City relief programs were developed to support struggling small businesses, however, these programs were generally inaccessible to undocumented business owners; and

Whereas, The Small Business Administration (SBA) launched the Economic Injury Disaster Loan program and Paycheck Protection Program to provide small businesses with emergency loans; and

Whereas, The SBA initially stated these programs would exclude undocumented business owners, as the SBA's pre-CARES Act guidance specified that immigrant business owners can only apply if they are "lawfully in the U.S. and have an appropriate work visa"; and

Whereas, After the Paycheck Protection Program was launched, the SBA did not explicitly state if there were immigration-based limitations to apply, which left undocumented immigrants uncertain whether they could qualify for a loan; and

Whereas, NYC's Department of Small Business Services (SBS) administered the Small Business Continuity Loan Fund and Employee Retention Grant program to provide financial relief to struggling businesses; and

Whereas, According to the Association for Neighborhood and Housing Development, SBS's programs were inaccessible to many immigrant business owners, as the application forms were initially only released in English; and

Whereas, On May 22, 2020, Governor Cuomo announced the creation of the New York Forward Loan Fund, which was intended to specifically provide minority and women owned small businesses with low interest loans; and

Whereas, While nearly 90% of the loan recipients have been minority and women-owned businesses, two months after the loan program was launched it had only distributed \$2.3 million in loans out of the \$100 million allocated to the program; and

Whereas, Businesses applying to the New York Forward Loan Fund are required to participate in an in-depth review and underwriting process, which may prevent undocumented business owners who do not possess all necessary formal documentation from applying; and

Whereas, Without access to government-sponsored relief efforts, undocumented businesses will likely continue to close across NYC; and

Whereas, According to the study by researchers at the NBER, the closure of immigrant-owned businesses “could be problematic for broader racial inequality because of the importance of small businesses for local job creation, economic advancement, and longer-term wealth inequality”; and

Whereas, Accordingly, a June 2020 report by the Center for an Urban Future on COVID-19’s impact on immigrant communities recommends that the City and State “act quickly to shore up the finances of immigrant-owned small businesses left out of the PPP program and other relief efforts”; and

Whereas, Immigrant-owned businesses contribute significantly to the City’s economy, as immigrant New Yorkers own half of the City’s businesses; and

Whereas, As the survival of the City’s small business economy is necessary for the City to have a strong economic recovery from the COVID-19 pandemic, NYS must ensure businesses owned by undocumented immigrants are able to access financial relief; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Governor to create a State funded grant program to support undocumented business owners devastated by the COVID-19 pandemic.

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