



Legislation Text

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**File #:** Res 1299-2012, **Version:** \*

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Res. No. 1299

Resolution calling on the United States Congress to introduce legislation that would establish an Ethnic Minority Dealers Financing Program within the United States Department of Commerce.

By Council Members Dickens, Rose and Wills

Whereas, According to the National Black Chamber of Commerce, automobile dealerships suffered great losses in the aftermath of the recession of 2008; and

Whereas, According to the National Association of Minority Automobile Dealers, on January 2008, there were 1,325 ethnic minority-owned automobile dealerships, and on January 1, 2011, there were just 921; and

Whereas, The forced closure of automobile dealerships has had a devastating financial impact on both the dealership owners and their communities due to the loss of jobs; and

Whereas, During the recession, domestic automobile manufactures significantly reduced ethnic minority Dealer Development Programs, which had made access to the ownership of automobile dealerships possible for minorities; and

Whereas, The decline in the number of ethnic minority automobile dealers continues, in large part, due to the lack of access to capital and floor plan financing loans; and

Whereas, A program to provide each of these loans is vital to the reinstatement of ethnic minority automobile dealers; and

Whereas, An Ethnic Minority Dealer Financing (EMDF) Program will provide the access to capital that many ethnic minority automobile dealers need at this critical time, as they experience the effects of a transition brought on by larger changes within the domestic automobile industry; and

Whereas, Currently many international automobile manufactures with facilities in the United States lack ethnic minority automobile dealer representation in their dealerships; and

Whereas, Encouraging these international automobile manufactures with dealerships in the United States to implement a Dealer Development Program would increase the number of ethnic minority-owned automobile dealerships in the United States; and

Whereas, The EMDF Program would offer working capital, lock-in term loans, and stable floor plan financing for terminated and displaced dealers so they may take advantage of opportunities to reenter the automobile dealership market during these tough economic times; and

Whereas, The EMDF Program should give the first priority to those ethnic minority automobile dealers, which General Motors, Chrysler, and Ford terminated between 2008 and 2011, and then to ethnic minorities struggling to maintain their dealerships due to lack of access to capital, and finally to ethnic minorities entering the automobile dealership industry; and

Whereas, According to the United States Census Bureau, as of 2009, New York State had the fourth largest number of registered vehicles and licensed drivers; 8,726,000 and 11,329,000 respectively; and

Whereas, According to the Minority Business Roundtable, for every job created in the automobile industry, nine jobs are created to support it; and

Whereas, The EMDF Program would increase the viability and success of ethnic minority dealers as well as create jobs; now, therefore, be it

Resolved, That the Council of the City of New York calls on the United States Congress to introduce legislation that would establish an Ethnic Minority Dealers Financing Program within the United States Department of Commerce.

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