



## Legislation Text

**File #:** Res 0243-2002, **Version:** \*

Res. No. 243

Resolution calling upon the United States Congress and the United States Small Business Administration (SBA) to develop effective programs to provide much needed relief to businesses in New York City in the wake of the September 11th attacks and further calling upon the United States Congress to adopt measures such as those contained in S.1499 and H.R.3230, which would increase the number of small businesses eligible for financial relief from the SBA.

By Council Members Nelson, Recchia, Sanders, Clarke, DeBlasio, Felder, Fidler, Gennaro, Monserrate, Rivera, Sears, Weprin and Oddo; also Council Members Gerson and Quinn

Whereas, A series of terrorist acts of horrific proportions were perpetrated on New York City and the United States of America on September 11, 2001, resulting in an enormous loss of life and billions of dollars in damage; and

Whereas, As a result of the collapse of the World Trade Center, approximately 30% of downtown Manhattan's office space was destroyed or damaged, half a million square feet of retail space was destroyed in the World Trade Center Complex and over 700 small businesses were destroyed or suffered extensive physical damage; and

Whereas, The vast majority of the approximately 14,000 businesses located in downtown Manhattan were small businesses, many of which have been affected by traffic restrictions, road closures, inaccessibility to their businesses, the decrease in workers and residents in the downtown area and the huge drop-off in tourism; and

Whereas, The financial, tourist, restaurant, and garment industries citywide have been particularly hard-hit by the attacks, as have many other New York City businesses; and

Whereas, Over six months after the attacks, a large number of businesses across the five boroughs of New York City are struggling to remain open; and

Whereas, Businesses have turned to the United States Small Business Administration for loans; and

Whereas, These businesses have been met with an extensive bureaucracy requiring burdensome documentation that in many cases was either lost or inaccessible; and

Whereas, The formulas used by the SBA to approve loans are inequitable and penalize a business that has been closed as a result of the September 11th attacks; and

Whereas, On March 22, 2002, the United States Senate passed S.1499, a bill that provides assistance to small businesses adversely impacted by the terrorist attacks of September 11, 2001; and

Whereas, S.1499 authorizes the SBA Administrator to increase or waive the size standards for small business eligibility and increases or waives the total aggregate loan limits for affected small businesses and provides important additional relief to small businesses; and

Whereas, The House of Representatives is considering H.R.3230, which would also provide assistance to small businesses adversely impacted by the terrorist attacks of September 11, 2001 and includes similar provisions authorizing the SBA Administrator to increase or waive the size standards or size regulations with respect to businesses applying for assistance in response to the terrorist attacks of September 11, 2001; and

Whereas, Both S.1499 and H.R. 3230 are important pieces of legislation to aid small businesses at a crucial time in their economic viability; and

Whereas, Over 31,349 New York City businesses have received applications for SBA loans and only 9,757 businesses have returned those applications; and

Whereas, Out of the 9,757 applications that the SBA has received from New York City businesses, over 5,500 businesses have either been rejected by the SBA or have withdrawn their applications; and

Whereas, Businesses in New York City need SBA loans to escape bankruptcy; now therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress and the United States Small Business Administration (SBA) to develop effective programs to provide much needed relief to businesses in New York City in the wake of the September 11th attacks and further calls upon the United States Congress to adopt measures such as those contained in S.1499 and H.R.3230, which would increase the number of small businesses eligible for financial relief from the SBA.

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