



## Legislation Text

---

**File #:** Int 0969-2023, **Version:** \*

---

Int. No. 969

By Council Members Narcisse, Lee, Louis, Hudson, Ayala and Riley

A Local Law to amend the charter and administrative code of the city of New York, in relation to requiring the department of small business services to create a web portal for local community development financial institutions and conduct an education campaign to inform small businesses and minority and women owned business enterprises about the services provided by community development financial institutions

Be it enacted by the Council as follows:

Section 1. Subdivision e of section 1304 of the New York city charter, as amended by local law number 1 for the year 2013, is amended to read as follows:

e. The commissioner shall have the following powers and duties to implement the purposes of this section:

1. to direct and assist agencies in their efforts to increase participation by minority and women owned business enterprises and emerging business enterprises as contractors and subcontractors in city procurement;

2. to develop standardized forms and reporting documents;

3. to conduct, coordinate and facilitate technical assistance and educational programs;

4. to periodically review the compliance of city agencies with the provisions of local law for the identification, recruitment, certification and participation in city procurement of minority and women owned business enterprises and emerging business enterprises;

5. to annually report to the mayor and the council, as required by such local law, on the activities of the division and efforts by agencies to comply with the provisions of such local law;

6. a. to establish and operate, on behalf of the city, a centralized program for the certification of minority owned business enterprises, women owned business enterprises and emerging business enterprises for

the purposes of establishing the eligibility of such businesses for participation in the programs and processes established pursuant to local law to ensure their meaningful participation in city procurement.

b. For the purposes of such certification, "minority owned business enterprise" and "women owned business enterprise" shall mean business enterprises authorized to do business in this state, including sole proprietorships, partnerships and corporations, in which (i) at least fifty-one percent of the ownership interest is held by United States citizens or lawful permanent residents who are either minority group members or women; (ii) the ownership interest of such individuals is real, substantial and continuing; and (iii) such individuals have and exercise the authority to control independently the day to day business decisions of the enterprise;

c. For the purposes of such certification, "emerging business enterprise" shall mean a business enterprise authorized to do business in this state, including sole proprietorships, partnerships and corporations, in which (i) at least fifty-one percent of the ownership interest is held by United States citizens or lawful permanent resident; (ii) the ownership interest of such individuals is real, substantial and continuing; (iii) such individuals have and exercise the authority to control independently the day to day business decisions of the enterprise; and (iv) such individuals have demonstrated, in accordance with regulations promulgated by the commissioner, that they are socially and economically disadvantaged. An individual who is "socially and economically disadvantaged" shall mean an individual who has experienced social disadvantage in American society as a result of causes not common to individuals who are not socially disadvantaged, and whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. An individual's race, national origin, or gender by itself, shall not qualify the individual as "socially disadvantaged." In drafting such regulations, the commissioner shall consider criteria developed for federal programs established to promote opportunities for businesses owned by individuals who are socially and economically disadvantaged, including criteria for determining initial and continued eligibility in relation to the net worth of individuals claiming to be economically disadvantaged, provided that the net worth of an individual claiming disadvantage pursuant to

this section must be less than one million dollars. In determining such net worth, the department shall exclude the ownership interest in the business enterprise and the equity in the primary personal residence.

d. To be eligible for certification, a business enterprise shall have a real and substantial business presence in the market for the city of New York, as defined by the commissioner pursuant to local law.

e. The commissioner of small business services may provide by rule criteria and procedures for firms certified as minority owned businesses and women owned businesses by other governmental entities to be recognized as certified business enterprises by the city of New York.

7. to conduct site visits at business enterprises seeking certification, the basis for which shall be provided by rule, to verify that such business enterprises are eligible for certification;

8. to audit such certified business enterprises and periodically review and in appropriate cases recertify their eligibility for participation in programs established pursuant to local law;

9. to direct and assist city agencies in their efforts to increase participation by minority owned business enterprises, women owned business enterprises and emerging business enterprises in any city-operated financial, technical, and management assistance program;

10. to assist all business enterprises certified pursuant to this section in becoming prequalified for all categories of procurement for which they may be eligible and for which contracting agencies utilize prequalification in the procurement process;

11. to prepare, periodically update, and post on the website of the division a directory of such city certified business enterprises for use by city agencies and contractors, which shall include information for each such business enterprise, as applicable, including but not limited to: (i) identification of the market sector in which the business enterprise operates; (ii) the bonding capacity of the business enterprise; (iii) the contract price and specific tasks performed by the business enterprise for its last three contracts; (iv) the union affiliation, if any, of the certified business enterprise; and (v) the renewal date for certification;

12. to develop a clearinghouse of information on programs and services available to such business

enterprises; [and]

13. to provide such assistance to business enterprises interested in being certified as is needed to ensure that such businesses benefit from city technical, managerial, and financial assistance, and other business development programs; and[.]

14. to provide educational outreach to all such city certified business enterprises on the services provided by community development financial institutions in the city and the potential benefits of working with such institutions.

§ 2. Chapter 10 of title 22 of the administrative code of the city of New York is amended by adding a new section 22-1007 to read as follows:

§ 22-1007. Community development financial institutional web portal. a. Definitions. For the purposes of this section, the following terms have the following meanings:

Local CDFI. The term “local CDFI” means an institution certified as a community development financial institution by the federal department of the treasury, authorized to do business in this state, and which provides services to persons or businesses in New York city.

MWBE. The term “MWBE” means a business certified by the department under section 1304 of the charter as a minority owned business enterprise or as a women owned business enterprise.

b. CDFI web portal. The department shall establish and operate, on behalf of the city, a web portal that permits local CDFIs to publish information about their institution including, but not limited to, their mission statement, a description of the services they provide, the community interests they serve, the neighborhood or area they operate in, and any loan opportunities offered by the local CDFI. The web portal shall include a searchable directory of all local CDFIs that have published information on the web portal.

c. The department shall conduct outreach to small businesses and to MWBEs to increase awareness of the services provided by local CDFIs and the availability of information about local CDFIs on the web portal.

§ 3. This local law takes effect 120 days after it becomes law, except that the department of small

business services shall take such measures as are necessary for the implementation of this local law, including the promulgation of rules, before such date.

Session 12

XC

LS #11811

2/28/2023