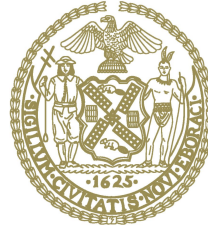




New York State Senate



New York City Council

May 11th, 2020

Honorable Bill de Blasio  
Mayor of the City of New York  
New York City Hall  
New York, New York 10007

Gregg Bishop  
Senior Advisor for Small Business Related to COVID-19  
New York City Hall  
New York, New York 10007

Jonnel Doris, Commissioner  
NYC Department of Small Business Services  
1 Liberty Plaza, 11th Floor  
New York, NY 10006

Dear Mayor de Blasio, Senior Advisor Bishop, and Commissioner Doris:

Last month the New York City Council's Committee on Small Business held an oversight hearing to learn more about the impacts of COVID-19 on our city's small businesses and how the Department of Small Businesses Services (SBS) has responded to the rapidly unfolding, and still ongoing, crisis. The agency developed two programs to financially assist New York City small businesses as the virus deepened its grip on us: the NYC Employee Retention Grant and the NYC Business Continuity Loan Fund. These programs were first announced on March 8th and since then they've provided 19 million dollars to over 2,600 businesses. While we commend this Administration for taking proactive steps to provide bridge funding to businesses before the federal government stepped in, we are troubled that a vast majority of the programs' funds went to businesses in Manhattan. The geographic distribution is quite stark with Manhattan receiving over 66% of the loan program's funds and 53% of the grant's funds (see attached fig. 1<sup>1</sup>).

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<sup>1</sup> David Cruz, "NYC's Small Business Relief Is Mostly Going To Manhattan Shops", <https://gothamist.com/news/nycs-small-business-relief-mostly-going-manhattan-shops>

We believe this shines a light on a problem the SBS has struggled with for quite some time; outside of the Business Improvement District (BID) program, our City does not have a data-driven approach to identifying small businesses and a system to establish communicative relationships with them. The fact that a vast majority of the City's financial relief went to Manhattan businesses demonstrates that smaller, neighborhood-based, immigrant or minority owned businesses in the "outer-boroughs," a term we loathe to use, likely did not know that these programs existed or didn't understand how to apply. This is a problem we see time and again. It's usually the folks who are not foreign born, have better education access, and are wealthier from the start who best understand how to access government resources. Queens is renown as the World's Borough for good reason. The Census Bureau's 5-year 2014-2018 American Community Survey shows that over 55% of Queens households speak a language other than English at home, compared to 39% in Manhattan. Also, 47% of Queens residents are foreign born, while only 29% in Manhattan are.

Even though federal law may define a small business as a company with fewer than 500 employees, in New York City we know that's a far too expansive definition. Our small businesses are much more personal. They're our local bodegas, dry cleaners, bakeries, shoe repair shops, and all of the other small stores with the same friendly face greeting you behind the counter for years, sometimes decades. These are the shops that make New York City vibrant and interesting.

We're afraid that it's many of these stores that didn't get a piece of pie. In order to better serve them, the SBS must develop comprehensive strategies to survey neighborhood businesses and understand what each place has, where the clusters are, what languages they speak, and how to reach them. Most businesses in our districts tell us that the only time the government comes around is to conduct an inspection or issue a summons. This is a norm that must change.

Crisis moments give us an opportunity to see the cracks in a system and where we need to improve. We believe that's the case here. The City made a good faith effort to provide a lifeline to small businesses in the initial days of the virus' outbreak. SBS staff was responsive and helpful when we referred constituent inquiries their way. We're thankful for their work, but we're also determined that we can do better. Thank you for your attention. We look forward to working with the Administration to make our city stronger, more resilient, and better prepared as we defeat this virus.

Sincerely,



Costa Constantinides  
New York City Council Member  
22nd District



Jessica Ramos  
New York State Senator  
13th District

Fig. 1

