

SAVE OUR SMALL BUSINESSES PLATFORM



Full Policy

Small businesses are the lifeblood of New York City. They employ [nearly three million](#) New Yorkers – nearly half of the city’s workforce. They are wealth-builders for the families who own them and for communities. A third are owned by people of color, and almost half are operated by immigrant New Yorkers. They create our sense of community, as places we drop off our kids for care, where we meet and eat, drink, shop and get our hair cut. They provide culturally relevant services, serve as de facto community centers, and so much more. But our small businesses are struggling to survive, with an estimated ~41.5 percent decline in the number of small businesses open compared to January 2020, and a dire warning that more may close and never reopen. The pandemic created public health restrictions that forced many to temporarily shutter, or deeply reduced how many they could serve, crushing bottom lines and sometimes forcing them out of business. City aid was too limited, while federal aid in the form of payroll loans and grants and other business expense loans was insufficient. Too many mom and pop shops either didn’t have banks who would serve them, or didn’t have the accountants, lawyers and other consultants to navigate the bureaucracy. We have already allowed too many small businesses to fold through no fault of their own. Many more may join them without a safely reopened economy, which requires effective vaccine distribution, public confidence in safety from the virus, and support to weather the storm. **Nowhere is this more evident than in communities of color.** Small business owners of color have always had an uphill battle in our City – somehow surviving with an average of only 14 days of cash on hand, 3.4 times lower revenue and 3.3 times higher debt payments than other businesses in NYC, even before the pandemic. These challenges are exacerbated by being in communities hit hardest by COVID-19 leading to lost wages, coupled with much less access to pandemic-related support. Regarding unequal support, one analysis estimates that about 90 percent of people of color-led businesses are expected to be left out of federal relief. Given this devastating reality, a recent study found that 85 percent of minority- and women- owned businesses (MWBs) in New York City may not survive another six months. To create a robust, sustainable, and equitable recovery for the City we call home, small, local businesses, and especially those owned by women of all races, Black, Indigenous, Latino and Asian people of color and immigrant entrepreneurs, are central to our economic recovery given their outsized role in our small business ecosystem. **Save our Small Businesses: A Plan to Restore and Strengthen Our Small Business Community** Our small businesses need to survive and to

keep and grow jobs so they can continue to make our city a place where we can meet our needs and create community. They need affordable rents. They need to be freed up from the fines and fees that are choking them. They need the red tape wrapped around their necks to be cut so they have room to breathe. They need aid and support so they can do more than just survive the pandemic and continue serving their neighbors, but can grow and generate more income for their owners and employment opportunities for millions of New Yorkers. Small businesses need regulatory reform that makes it easier to work both *in* the City and *with* the City, even once the crisis is over. And they need a city government that will champion their needs. A robust and equitable small business recovery will anchor New York's recovery and set us up for a fairer and sustainable economic future where the fruits of growth are shared by *all* New Yorkers. **To do so, I propose a five-point plan:**

- 1 – Lower the cost of doing business by providing meaningful relief on taxes, fines, fees and regulations;
- 2 – Tackle the racial wealth gap by building wealth in communities of color through locally-rooted and employee-centered small business ownership;
- 3 – Fight to protect commercial tenants and reduce commercial vacancies;
- 4 – Help small businesses increase revenues by making it easier to work *with* New York City; and
- 5 – Champion new businesses by making it easier to set up shop and grow *in* New York City.

1) Immediately lower the cost of doing business by providing temporary relief and cutting through red tape

- **In the administration's first year, put in place a comprehensive REGULATORY HOLIDAY to provide \$100 Million in City-level regulatory relief to individual small businesses.**
 - Waive the 25 percent municipal liquor license tax typically assessed upon annual liquor license renewal, offering approximately \$1,000 annual savings for those with on-site liquor licenses (*approximate benefit to small businesses of \$10-\$20 million*).
 - Defer or offer credit toward annual water and sewer bills – the City's minimum water and sewer charge is \$1.27 per day, totaling \$464 per year for extremely low water users. (*approximate commitment of \$50 million*)
 - Work with Albany on plans to reduce or eliminate "pass-throughs" where too many costs are passed on to commercial tenants.
 - Waive renewal fees, waive fines and use notices to cure (*approximate benefit to small business of \$30 million*)
 - Make health inspections more frequent, but scheduled rather than unannounced.
 - Use this one-year period to conduct a comprehensive review of current practices leading to a reinvention of how the City interacts with businesses, beginning in 2023. This one-year review is detailed in section 3.
- **Launch a new \$30 million Small Business Emergency Grant Program**, incorporating lessons learned from the short-lived city grant and loan programs offered in March and April 2020, and target resources strategically to achieve equity goals

- Strategically allocate funds by prioritizing grants for the zip codes hardest hit by the pandemic, most-distressed industries, and those who have not received adequate State, City, or federal pandemic-related aid.
- Partner with local community-based organizations, including organizations predominantly serving undocumented New Yorkers, to provide technical assistance in priority communities to support applying for grants and to provide additional services, including pro bono bookkeeping, assistance with securing additional capital, tax preparation assistance, and legal services.
- For new funding, avoid requirements creating barriers for communities of color, including burdensome documentation, late fees, or penalties for those attempting to get into good standing or up-to-date on their taxes in order to apply, and the stringent requirements for applying for forgiveness that typically come with the loan programs so often favored over grant programs.
- The funding for the programs established in this section would come from the federal stimulus package that is about to be signed into law by President Biden. Through the state and local fiscal relief fund, that bill will provide billions of dollars to, among other things, address the needs of small business impact by the pandemic.

2) Tackle the racial wealth gap by building wealth in communities of color through a \$7 million investment in locally-rooted and employee-centered small business ownership.

- **Promote local and employee ownership through initiatives that grow worker co-operatives.** Expand on the successful model of co-ops like Cooperative Home Care Associates (CHCA) in the South Bronx, the largest worker co-op in the nation, which offers higher wages, better training, job supports, and increased ownership opportunities to women.
 - Expand funding for SBS's [existing technical assistance](#) (\$3.5M in latest budget), the Worker Cooperative Business Development Initiative (WCBDI).
 - Provide seed funding for the co-ops themselves, helping workers buy businesses out of bankruptcy where possible by providing gap financing and giving workers a [right of first refusal](#) when certain businesses are sold.
 - Create a strategy to prioritize early childhood education centers and day care centers toward co-op conversion, which are vital to the care economy.
 - Make worker co-operatives a preferred contractor for City agencies.
 - Connect workforce funding to worker co-operatives.
- **Preserve local businesses at risk of failure or sale to private equity firms** by creating [Local Economy Preservation Funds](#) (LEPF) using the Federal Reserve's Municipal Liquidity Facility.
 - LEPFs are [public holding companies](#) established by states and cities that purchase small and medium-sized businesses and hold them during crises.
 - The funds would exit their investments to employees or other forms of [democratic and/or local ownership](#) as the economy recovers.

- The model has been successful in the past. During the Great Depression, the Reconstruction Finance Corporation provided financial support to banks and businesses.
- **Seed democratic investment funds in communities**, like Boston's Ujima Fund, which gives community members decision rights and an ownership stake in funds distributed to local small businesses and infrastructure projects
 - The Ujima Fund is part of the larger [Ujima Project](#), a democratically governed organization with a mission to build a community-controlled economy in Boston working class communities of color.
 - The Fund is the first [democratic investment fund](#) in the country. Starting at \$50, current and displaced working-class Bostonians, grassroots partner organizations, community business owners and their employees can become voting members
 - The Ujima Project is a partner of the City of Boston's [Resilience and Racial Equity Department](#).
 - Ujima has raised [\\$3.2 million](#) toward its 2021 goal of \$5 million, and offers working credit and growth capital to popular food, retail, and service providers, identified by members as essential to their neighborhoods.
 - The fund also aims to fill gaps in the local economy, by identifying community needs through their assemblies, such as urban farms, community land trusts, and community owned internet
 - The organization is actively mentoring groups in Atlanta, Cleveland, Los Angeles, and Chattanooga, Tennessee.
- **Acknowledge street vendors as New York's smallest businesses. Support street vendors so they can grow and thrive in NYC.**
- Support and collaborate with the Street Vendor Project's recently launched [Small Business Consultation Program](#), which will provide Street Vendors with tools, resources and skills to grow their business.
 - The program will help vendors with business compliance as they navigate various rules and learn how to obtain a sales tax ID.
 - Street Vendors will receive support to set up online payment accounts like Venmo or Zelle and develop a social media presence.
- **Identify known food deserts** and expand the number of [Green Cart Vendors](#) in those areas.
- Extend small business loans and other support services to Street Vendors by NYC Small Business Services and other state agencies.
- Set up a committee within the new Vendor Advisory Board to focus on [issues affecting women street vendors](#), including safety and financial wellbeing, and guarantee representation of women Street Vendors on the Board.
- The funding for the programs established in this section would come from the federal stimulus package that is about to be signed into law by President Biden. Through the state and local fiscal relief fund, that bill will provide billions of dollars to, among other things, address the needs of small business impact by the pandemic, with an emphasis on communities that have been disproportionately affected by the pandemic.

3) Fight to protect commercial tenants and reduce commercial vacancies.

- **Increase protections for commercial tenants at the city level.**
 - Create a **commercial maintenance code** similar to the current housing maintenance code to create legally required standards for tenants.
 - Commit to creating a citywide model for commercial rent stabilization.
 - In the immediate term, require leases for all commercial tenants, as many do not have leases to begin with, and leases are the only way tenants can be legally guaranteed protections.
 - Increase enforcement against bad acting landlords through a partnership with DOB and SBS.
 - Expand the existing Commercial Lease Assistance program to include litigation services and representation.
 - Ensure that services offered by SBS are translated into multiple languages.
- **Support the development of a COVID-19 Recovery Lease Program**, where commercial landlords and commercial tenants would be able to enter into a new lease that limits rent increases during term of the lease (at least 10 years) in exchange for settling any rent arrears under the previous lease and a significant property tax abatement. *The cost of the program will depend on the formula determined by local law.*
 - Council Members Landers' and Powers' current "COVID-19 Recovery Lease" bill and the partner proposal to State proposals by Senator Kavanagh and Assembly Member Niou would offer a property tax abatement, at an amount to be determined by local law, to eligible commercial landlords who enter into a Recovery Lease.
 - In order to be eligible for this property tax abatement, landlords must enter into new leases with their commercial tenants that limit rent increases for at least 10 years and settle any rent arrears under the previous lease. They will receive a property tax abatement and other benefits in return, making the program attractive to both parties.
 - **Additional enhancement for landlords could include:** offering tax credits to commercial landlords against their business corporation tax bill or general corporation tax bill.
 - **Additional enhancements for tenants could include:** forbidding applying security deposits to back-rent without consent; requiring force majeure clauses with explicit language regarding public-health (or possibly other) disasters; or extending the pandemic ban on personal liability clauses.
- **Create a partnership between HPD and SBS to fill mixed use developments with subsidized local small businesses.**
 - Often HPD sites have large, chain anchor ground floor tenants. Called vanilla units, these spaces are large enough to accommodate several neighborhood businesses at risk of eviction, that serve the needs of their surrounding communities. A Wiley program will break down the silos between HPD and SBS to set aside and subsidize ground floor space in mixed use developments to create more affordable space for local businesses.

- **Link vacant retail properties from the vacancy list to new and existing worker-owned co-ops and non-profit-owned retail cooperatives.**
 - Build on the City's history of resident-owned limited equity co-ops with worker-owned establishments across sectors in disinvested communities.
 - Entrepreneurs or retail businesses that might otherwise be priced out of the community could be recruited to these spaces to preserve the neighborhoods' distinct cultural flavors with the City facilitating connections and negotiations with landlords of vacant properties.
 - Use national best practices and launch an initiative to incentivize nonprofit developers and government agencies to directly lease real estate from landlords and sublease these spaces to nonprofits or cooperatives (e.g. Orethea Haley Blvd in New Orleans and Northeast Investment Cooperative in Minneapolis).

4) Help Small Businesses Increase Revenues by Making It Easier to Work *with* New York City

- **Appoint a Chief Small Business Officer (CSBO) in the Mayor's Office** to lead, over the course of the 1-year regulatory holiday, a commission of small business and City agency representatives in planning a regulatory overhaul to reinvent how the City interacts with small businesses – drastically reducing existing burdens.
 - The commission will lead planning to co-locate staff from various agencies who manage permitting and licensing functions in order to eliminate duplicate and otherwise unnecessary processes and requirements for small businesses.
 - The commission will create a simplified "common app," like the one used for university applications, to locate all necessary licensing and permitting data entry in a single, simpler location, rather than linking to the many different locations currently required for registering a small business.
 - The commission will further review current rules and practices, including those that impose punitive fees and fines, with a goal of assessing their potential bias against and disproportionate impacts on women-, immigrant-, Black-, Latinx-, and Asian-owned and operated small businesses.
 - The CBSO will, on an ongoing and permanent basis, coordinate work relating to small businesses and serve as an advocate for small businesses within the administration.
- **Expand the City's commitment to MWBEs, especially Black- and Latino-owned businesses that are [underrepresented](#) in New York City.**
 - Meet [established procurement goals for](#) underrepresented MWBE's, in particular Latino and Black owned businesses, and [oversight of contract awards](#) post-pandemic to ensure small and minority-owned businesses benefit from public investments.
 - Lobby the federal Office of Management and Budget to loosen rules around federal funding so that State agencies with primarily federal funding can make use of the faster, more efficient, City MWBE procurement rules.

- **Ensure the City is the “partner of choice” for MWBEs** by standardizing timelines and communication protocol and modernizing payment systems to expedite payments to prime and sub-contractors.
- **Move beyond just increasing the number of certified MWBEs to a deeper focus on increasing MWBEs’ ability to compete.**
 - Expand pre-qualification programs, unbundling contracts into smaller scopes or timelines, and provide the financial resources and technical assistance MWBEs need to bid, secure, and execute on contracts.
 - Build financial capacity for MWBEs by expanding existing programs like [Contract Financing Loan Fund](#), [Emerging Developers Loan Fund](#), localizing state programs like [Bridge to Success Loan Program](#) for NYC-certified MWBEs, and establishing new or pool existing sources of capital like CDFI funds to underwrite larger projects or collateral pools to ease access to working capital, bonding, and insurance.
 - Couple financing with technical assistance programs to help firms pull together financing, develop pre-qualification packages, and effectively bid on projects.
 - **Incentivize other anchor institutions to invest in and procure from locally owned businesses** by forming a coalition of corporations, universities, and hospitals to set and reach expanded procurement goals with MWBEs and establish programs to help prepare businesses for and matchmake businesses with procurement opportunities, such as Cincinnati Business Accelerator or Motor City Match.
- **Make doing business with the City a realistic option for more small businesses - especially for local manufacturing businesses providing good paying jobs**
 - [Streamline City procurement](#) by simplifying regulations regarding City contracting for small businesses, including ensuring standardized processes across agencies, investing in upgraded technology tools for tracking, compliance, and managing bids, and enhancing tools for small businesses to find contracts. Lobby the State and federal governments to match the City’s simplifications.
 - **Prioritize local manufacturing businesses as suppliers for New Deal New York projects.** New York has a strong industrial and manufacturing sector that provides good paying jobs to a majority minority workforce. People of color represent 81 percent of New York City’s industrial and manufacturing workforce, earning average annual wages of \$69,161. Strengthen this industry by contracting with local small businesses as suppliers, creating an additional stimulus to our city’s economy.

5) Recognize small businesses as engines of local economic development: Champion new and operating small businesses by making it easier to set up shop and grow *in* New York City

- **Reimagine how the City government structures its work to support small businesses as a key pillar of economic development:** Today multiple agencies, including SBS, EDC,

Mayor's Office MWBE, MOME, and others, work to support business development. Maya Wiley's administration will consider restructuring to ensure more strategic alignment and investment in business development, retention, growth and contracting. We can build stronger systems to help small businesses start, grow, and build wealth in communities. For example, Empire State Development, the economic development arm of NYS, presents one blueprint for consideration. The agency links infrastructure development, incentives, business retention, industry innovation, MWBE, startup support, workforce, and small business services to create a big impact on businesses and neighborhoods.

- **Ease process for new businesses to get started or pivot to new businesses models in NYC** by simplifying the permitting and licensing process for businesses so that owners can file all necessary paperwork and schedule all inspections in one streamlined virtual location, building on [NYC Business Express Wizard](#), and expand and better publicize the existing [Small Business Advocate program](#) to help owners who prefer to complete these processes with a live person, or who have accessibility requirements and need added support. As described above, much of this would be coordinated by the CSBO.
- **Ensure equal uptake of business support resources** by ensuring resources reach low income and other communities through partnerships with locally based organizations, direct outreach to businesses, and culturally competent delivery of resources (e.g., translated, appropriate marketing channels).
 - Give grants to CBOs to do continued small business organizing and outreach, help facilitate local merchant's associations.
- **Strengthen the City's existing commercial vacancy registry** to provide better insights into challenges surrounding vacancies.
- **Showcase the vibrancy of our neighborhoods, increasing foot traffic for small businesses in all boroughs**
- **Expand open streets.** Make certain open streets permanent by working with the Departments of Transportation and Small Business Services to create a clear set of guidelines for small businesses.
- **Create a grant program for restaurants to do curbside design and build out.** Limit traffic and lower speeds on non-open streets in commercial corridors with multiple small businesses using outdoor seating.