

FY 2023 Borough Budget Consultations

Manhattan - Small Business Services

Meeting Date

AGENDA ITEM 1: General Agency Funding Discussion:

The purpose of holding the Borough Budget Consultations is to provide Community Boards with important information to assist in drafting their statement of District Needs and Budget Priorities for the upcoming fiscal year. As you know, Community Board Members are volunteers who may not be familiar with the budget process and how agencies' programs are funded. At the same time, Community Board members are very knowledgeable about local service needs.

This year's Manhattan agendas have three sections:

I. Agencies previously faced unprecedented cuts and new funding requirements due to COVID 19. The Federal Government recently provided relief funds to states and municipalities as part of COVID relief stimulus.

1. What programs are restored by this funding for the current fiscal year and what further changes are planned for FY 23 when an estimated \$4 billion budget gap reemerges
2. What changes in federal funding have been instituted for FY 22? Will those changes continue into FY 23? What portion or percentage of the FY 21 and FY 22 budgets consisted of non-recurring federal funding?
3. What is the overall budget increase or decrease for FY 22 adopted budget compared to FY21 budget? Does the Agency anticipate a budget shortfall for FY 22, FY 23 or further out years after the non-recurring federal funding has been exhausted?

II. Then, the agenda continues with Community Boards asking about program funding.

1. What programs will see a significant increase or decrease in funding? To what extent, if any, is the increase or decrease in funding related to non-recurring federal funding allocations?
2. Which programs will be new or eliminated entirely?
3. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?
4. What are your priorities, operational goals, and capital goals for FY22 and projected priorities, operational goals, and capital goals for FY23?
5. What expense or capital needs would ACS recommend or encourage Community Boards advocate be funded or expanded?

III. Lastly, the agendas include Boards' requests on district-specific budget questions. We request that the agency respond in writing, but have any further discussions on these items with the Community Boards outside of the consultation.

For the first section, please present on the four topics below for 10-15 minutes at the beginning of our Consultation. Also, please provide written responses or even a PowerPoint presentation that we can use to fully and accurately educate our Board Members.

1. Which Manhattan community districts will see the largest increases or decreases in applied operational or capital funding for programmatic goals in FY 22 and FY 23?
 - a. What indicators do you use to direct these funds according to perceived need?

AGENCY RESPONSE:

- I. The only cuts were personnel savings due to hiring freeze and construction safety under spending. As result there were no cuts that impacted programming. The adopted budget has \$151.3 million in non-recurring federal funding. SBS FY22 Executive Budget is \$397.6 million, \$ 217.3 million greater than the FY21 Adopted Budget of \$180.3 million. Of the \$397.6 million, \$118.6 million is pass-through funding. The remaining \$216 million of the FY22 Adopted Budget is allocated for SBS's programs.
- II. The bulk of the increase in funding is going to the fund the existing and new programs outlined below:

NYC Small Business Loan Fund

The NYC Small Business Recovery Loan program is a \$100 million fund, partly funded with private capital, dedicated to helping small businesses retain staff and keep their doors open. Using census tract data to target communities hardest hit by COVID-19, New York City will provide low-interest loans of up to \$100,000 to approximately 2,000 small businesses.

Small Business Grant Program

The \$100 million Small Business Grant Program will provide direct support to small businesses to boost our recovery and put New Yorkers back to work. It will include \$50 million in rental assistance for small businesses in the arts, entertainment, recreation, food services, and accommodation sectors, and an additional \$50 million focused on small businesses in low- to moderate income communities, using census tract data, to hire staff or meet unpaid expenses incurred since March 2020.

Commercial Lease Assistance Program

The existing Commercial Lease Assistance program will receive \$10.4 million to provide expanded free legal services to help businesses sign, change or terminate leases, or address a commercial lease issue. This funding will help to expand outreach to small businesses in the 33 hardest hit neighborhoods identified by the Mayor's Taskforce on Racial Inclusion & Equity (TRIE) that were disproportionately impacted by the COVID-19 pandemic.

Accelerate Small Business Reopening/Opening

The City will allocate \$5 million to establish a small business recovery "one-stop shop" service to help businesses meet requirements for opening/reopening inspections, licensing and permitting as the COVID-19 pandemic subsides.

Career Pathways

The Career Pathways Initiative will receive \$2.5 million to support training in the technology, healthcare, industrial, and food service sectors, with a special focus on connecting underrepresented groups to careers such as web development, data analysis, commercial driving, cable installation, nursing and medical assistant.

Apprentice NYC

Apprentice NYC will receive \$1.5 million. This initiative recasts a traditional workforce development approach to address 21st century skills, allowing workers to learn while they earn in careers in healthcare, tech, manufacturing, and food service.

Green Jobs & Manufacturing

HireNYC Construction Careers will receive \$1.5 million that connects NYCHA residents and low-income New Yorkers to the construction trades through pre-apprenticeship training. This strategy leverages the City's investments in capital construction projects to help maximize the number low income New Yorkers and NYCHA residents that enter the trades. This funding will also assist manufacturing businesses in developing blueprints to manufacture more products locally and reduce operating costs.

Avenue NYC Program

The Avenue NYC Commercial Revitalization program will receive \$1.2 million to expand outreach into more neighborhoods, exclusively in low- to moderate income neighborhoods with a focus on the 33 hardest-hit neighborhoods defined by TRIE that were disproportionately impacted by the COVID-19 pandemic.

Shop Your City Campaign

The Shop Your City advertising campaign will receive \$1.1 million to support businesses by encouraging New Yorkers to shop locally.

MEETING NOTES:

AGENDA ITEM 2: Funding for Mom and Pop Stores

1. What programs does SBS have in its current FY22 budget to support small businesses in high rent environments with professional assistance? What is the projected spend for this program?
2. Does SBS have other programs in FY22 that help small businesses alter business plans to adapt to a changing business environment? What is the projected spend for this program?

AGENCY RESPONSE:

1. All of our loan and grants programs are available to small businesses. The existing Commercial Lease Assistance program will receive \$10.4 million to provide expanded free legal services to help businesses sign, change or terminate leases, or address a commercial lease issue. This funding will help to expand outreach to small businesses in the 33 hardest hit neighborhoods identified by the Mayor's Taskforce on Racial Inclusion & Equity (TRIE) that were disproportionately impacted by the COVID-19 pandemic.

2.
 - Training for Your Employees program, a new resource that provides business owners and their employees with training in digital literacy, marketing tools, online security, and COVID-19 safety
 - Launched additional trainings in Career Discovery NYC platform
 - Announced partnership with Deloitte to release Small Business Recovery Playbook

- Released broadband RFP to build infrastructure needed to bridge the digital divide

MEETING NOTES:

AGENDA ITEM 3: Resiliency Initiatives

1. Please share benchmark results from the Business Preparedness and Resiliency Program (Business PREP) and any other resiliency related program that is currently active within SBS.
2. What is the current status of the Business PREP funding that comes from the Community Development Block Grant-DR (CDBG-DR)? Is there funding from this source for FY22? From what other sources will funding be available for resiliency programs?
3. Is SBS planning on receiving funds from these same sources in FY23? If not, which funding sources will replace them?

AGENCY RESPONSE:

The Business Preparedness and Resiliency Program's (Business PREP) goal is to help small businesses better prepare for emergencies and enhance the resiliency of their operations, assets, and physical space. The program accomplishes this through a risk assessment and grant program, educational workshops and webinars, and through a self-assessment tool currently in development.

The risk assessment portion of the program (recently completed) provided 560 on-site risk assessments to small businesses impacted by Hurricane Sandy. The assessments were performed by trained business continuity and risk assessment experts. Each risk assessment included a customized report detailing specific measures a business could take to improve their resiliency. Over 350 businesses took advantage of a grant to assist in their investment into these resiliency measures. This is greater percentage than some original estimates of businesses that would have actively opted for grant to integrate and purchase recommended resiliency measures. Moreover, the goal was to educate these businesses- especially those within the targeted resiliency zones to help them be more informed and better poised for future disruption.

In addition Workshops were initiated and continue throughout the city to further target and instruct all small business owners on how to improve upon and develop their own business continuity plan. Webinars have also been utilized to reach audiences citywide. These educational events again are informed by the need of specific areas, the goal to provide broad outreach and the request of community organizations and targeted to industry groups.

Currently the program is working to develop a self-assessment tool as part of the NYC Business Portal - to allow small businesses across the city to gauge their own readiness as well as how to improve their business' resiliency. This tool is informed by the 560 risk assessments, interviews with community organizations and small business owners, and with the expertise from various stakeholders and partners. This tool will complement prior efforts and permit us to meet the SBS goal and benchmark of providing crucial/practical resiliency triage, customized assessments and tailored recommendation steps for businesses throughout all geographies and industries in NYC. Plus, the tool will be expandable and adaptable to reflect shifting scenarios and future disruptions

MEETING NOTES:

AGENDA ITEM 4: Programs for Under-Employed Communities

1. What funding does SBS have in FY22 for programs on job retention, bi-lingual assistance, lease negotiations, workforce development, and job-creation focused in under-employed communities? What funding is projected for FY23?

AGENCY RESPONSE:

- Since launching our remote Workforce1 Center System, SBS has worked with over 1,420 employers on over 39,340 job opportunities across the five boroughs.
 - From 3/16/20-8/12/21, our Workforce1 team has:
 - Assisted over 1,440 businesses with over 39,600 job opportunities
 - Connected over 23,260 New Yorkers to jobs with an average wage of \$18.13
 - Helped 102,040 job seekers
 - Referred 55,970 people to jobs
- Between 7/1/21 and 7/31/21, 1,530 participants enrolled in training programs in sectors of Healthcare, Industrial/Construction, Technology, and Media and Entertainment, and there have been 1,340 completions in the same period.
- Our 18 Workforce1 Centers have been operating virtually since March. In the Centers, we prepare and help New Yorkers find jobs and help businesses find the talent they need

MEETING NOTES:

AGENDA ITEM 5: Workforce Development Funding

1. What funding has been provided in FY22 for Workforce Development: Training and for the Workforce Investment Board (WIB)?
2. Does this reflect an increase or decrease from FY21? What funding is projected in these areas for FY23?
3. What proportion of the budget for these programs come from federal sources? What is the outlook for the same level of funding for these programs from the federal grants for FY22 and FY23?

AGENCY RESPONSE:

MEETING NOTES:

AGENDA ITEM 6: Small Businesses Outside of Business Improvement Districts

1. What funding is available for programs/services to help small businesses that are not located in Business Improvement Districts and are not manufacturing or restaurants?
 - 1A. Will there be more resources available for merchant associations in FY22 or projected for FY22? What are these programs?
2. What are the performance indicators for Chamber on the Go, Avenue NYC, and the Neighborhood Challenge? Does SBS consider these programs successful according to those indicators?
3. How many new merchant associations were formed as a result of these programs in the last fiscal year and how many businesses are represented in that number?
4. What other programs are available in FY22 and will be available in FY23?

AGENCY RESPONSE:

1. All of our grant programming is open to merchant associations. This includes our Neighborhood 360 grant, Avenue NYC, and capacity building programming such as legal assistance, workshops, non-profit coaching, and leadership training. In addition, SBS launched a COVID-19 Commercial District Support Grant in FY21. Many merchant associations have taken advantage of these services. We anticipate expanding our Avenue NYC program and launching a new Open Street activation grant for commercial corridors that merchant associations can tap into.

2. Performance indicators for Avenue NYC include:

- Number of businesses referred to services
- Number of community events
- Number of attendees across community events
- Number of public installations
- Number of businesses participated / engaged
- Number of key stakeholders participated
- Number of participating interns and/or volunteers
- Number of volunteer hours leveraged
- Number of registered members in merchant association
- Number of unique active merchants leaders
- Number of new members recruited
- Number of dues-paying members
- Total dues collected
- Number of merchant meetings held
- Number of members at meetings
- Number of businesses served
- Linear Feet Served
- Service Hours of supplemental sanitation
- Number of garbage bags collected
- Number of graffiti removal operations
- Private dollar amount leveraged towards commercial revitalization services
- Number of visits to program website

- Number of press stories generated
- Vacancy rate
- Number of Unique Businesses engaged
- Number of Unique CBDOs engaged

MEETING NOTES:

AGENDA ITEM 7: MWBE Funding

1. What funding was provided in FY21 for the Minority and Women-owned Business Enterprise (MWBE) Program? What funding is allocated in FY22?
2. What is the year over year increase/decrease in the number of active MWBE since last year?
3. Please list the number of MWBEs that were able to generate income in each community district, both in terms of businesses that are based in each district and businesses that are finding income as a result of work that is taking place in each district.
4. Will SBS be investing budget monies into a program to address inequities affecting MWBEs during the COVID-19 pandemic?

AGENCY RESPONSE:

- Upon becoming MWBE Certified a business can access a host of services designed to help them succeed in government contracting.
- Our Procurement Technical Assistance Center staff provide key services, through a combination of workshops and one-on-one assistance, to support business owners so that they can be effective bidders. Our services help demystify procurement rules, demystify how to identify opportunities, and share best practices to responding to solicitations. These include:
 - Meet the Agency Series
 - Selling to Government Workshop Series
 - Contract Management and Compliance Series
 - Bid Counselling and Technical Assistance Services
- SBS works hand in hand with certified Firms to build their capacity. Our capacity building programs help Firms develop business acumen and strengthen operations so that they are equipped to perform successfully on government contracts. In addition, SBS is available to connect Firms to and deepen relationships with mentors and City Agency personnel, ensuring they are supported in navigating government and maximizing opportunities. These include:
 - M/WBE Mentors
 - Technical Assistance Program
 - NYC Construction Mentorship Program
- We recognize that access to Capital, Bonding, and Insurance is key to bidding and performing on a government contracts. As such, we operate a suite of programs and services to help businesses:
 - Understand how to access bonding, insurance, and capital
 - Build businesses financial and credit readiness to increase their chances of qualifying
 - Support preparing and submitting a strong application to a right fit financial institution
- These programs include:
 - Bonding Services

- Bond Readiness Program
 - Contract Financing Program
 - Insurance Workshop & Technical Assistance
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- Every year, more contracts are awarded to M/WBEs. Through its OneNYC Program, the City has awarded over \$17 Billion in Prime and Sub-contracts to MWBEs (FY15-FY20). This includes important progress in our LL1 Program which reached in a new high awarding \$737 million in prime contracts and \$396 million subcontracts in FY20, achieving a combined utilization of 28% and inching close to the administration's goal of reaching 30% by the end of FY21 .
 - The services designed to support M/WBE growth have been key in this success, 2/3 of MWBEs that win a contract utilized a M/WBE program or service.
 - Now, more than ever, diverse businesses see the value in participating in the MWBE Program - they know they can grow through the Program - participation is higher than ever. Since the start of the administration the number of certified businesses has increased by 191% to a total of 10,665 at the end of FY21.

MEETING NOTES: