



Programs offer lifelines after Sandy

Two initiatives help biz owners recover from superstorm.



Rovshan Danilov reopened his Brooklyn yogurt shop after receiving help from the city's Emergency Loan Fund and Matching Grant Program. Photo: Buck Ennis

Rovshan Danilov knew his dessert café in Brooklyn's Sheepshead Bay was sunk—literally—after Hurricane Sandy.

Courtesy of the superstorm last October, water had seeped under his eatery's front door, rising waist-high before receding and destroying everything in its path, including the business's floors, walls, electricity, equipment and furnishings.

He desperately surfed the Web for help. Mr. Danilov, a principal in the three-year-old Arbuz Frozen Yogurt, learned about two initiatives aimed at helping local businesses recover from the hurricane.

First: the city's Emergency Loan Fund, a \$15 million program run by the [Department of Small Business Services](#) through NYC Business Solutions in partnership with the New York Business Development Corp. and funded by the [New York City Economic Development Corp.](#), Goldman Sachs (through its Urban Investment Group) and the [New York Bankers Association](#).

Second: the NYC Matching Grant Program, a foundation supported effort that has \$5.5 million in funds and is administered by the New York Business Development Corp. in collaboration with Small Business Services.

Early in January, after a \$200,000 top-to-bottom renovation, Arbuz opened—fully restored and operational, thanks to a \$25,000 emergency loan from the city fund, a \$10,000 matching grant and the personal savings of Mr. Danilov.

"There's only so much of my own savings I could put into the business," said Mr. Danilov, whose profitable café generated \$250,000 in revenue last year and projects \$300,000 in sales this year. "The loan and grant were lifelines."

Launched in 2002 under Mayor [Michael Bloomberg](#), Small Business Services aims to help entrepreneurs start, build and expand their businesses within the five boroughs. It provides everything from legal and recruitment assistance to a robust catalog of some 500 courses, including the how-tos of marketing and using technology. Now Sandy has put a new spotlight on the agency, which has

expanded its support to help storm-ravaged small businesses get back on track and is often their only lifeline.

\$9.5M in loans



Many New Yorkers are coping with devastating damage after Sandy. Photo: Buck Ennis

SMALL FIRMS GET RELIEF AFTER SANDY

Since Superstorm Sandy hit, more than 400 small businesses throughout the five boroughs have been approved for loans from the the Emergency Loan Fund, a \$15 million program administered by the Department of Small Business Services via NYC Business Solutions.

The agency's post-Sandy efforts have involved helping companies access free space, supplies and other services, as well as U.S. [Small Business Administration](#) loans, and its website features an interactive map that allows small businesses to broadcast their reopening. On the financial front, the agency—as of Feb. 4—has facilitated recovery loans to more than 400 small businesses in the city for a total of more than \$9.5 million. The loans are free for the first six months and then carry a 1% interest charge for the following 24 months.

But like the many small businesses it assists, SBS has seen its own fortunes wax and wane, making it necessary to take strategic steps to achieve its goals. In fiscal year 2012, the

department's budget sank to \$146 million, from \$169.4 million in fiscal 2010.

The budget for courses offered through NYC Business Solutions, an SBS initiative started in 2005, has also seen better days.

Funded by the U.S. Department of Housing and Urban Development's Community Development Block Grant Program, the NYC Business Solutions course budget shrank 15% last year to \$89,000, from \$105,000 three years ago. During the same period, the number of NYC Business Solutions courses increased 18% (to 495 last year, from 420 in 2010), while course attendance jumped 33% (to 6,121, from 4,593).

"We've done a really good job of doing more with less," said Colleen Galvin, the [Department of Small Business Services](#)' assistant commissioner of capital access and business services.

SBS, which employs 223 full-time staffers, has curtailed its expenses by doing everything from not filling certain positions left vacant through attrition to tweaking the number of sessions it offers for different courses, said Ms. Galvin. In 2011, for example, NYC Business Solutions trimmed its "Mastering Marketing" course from an eight-session to a three-session series upon noticing a dropoff in participant retention after the third class.

NYC Business Solutions has also tapped large tech companies for pro bono content development and instruction. Its six-month-old Small Business Digital Toolkit, a partnership with NYC Digital, enlists Mashable, a site covering digital innovation, to provide instruction on leveraging social media, and

Google to offer online advertising techniques, while blog--hosting platforms Tumblr and Weebly have contributed to how-to guides on launching a website.

NYC Digital is a part of the Mayor's Office of --Media and Entertainment aimed at helping New York realize its potential as a digital city. The Toolkit course is offered online and through NYC [Business Solutions centers](#), which are located throughout the city.

After the [Center for an Urban Future](#), a think tank, said in a report last August that SBS "could do more to help small firms understand and adopt technology into their businesses," the agency expanded its tech-training courses and their accessibility to the city's entrepreneurs.

Tech courses

With Citi Community Development, an arm of Citigroup, SBS has created the NYC Technology Coalition to offer technology and computer courses to small businesses in low- and moderate-income communities. The coalition's members—which include the Women's Housing & Economic Development Corp., West Brighton Community Local Development Corp., Queens Economic Development Corp., East Harlem Business Capital Corp. and the Local Development Corp. of East New York—can use their own instructors or those from NYC Business Solutions to teach the courses in their areas. The "next frontier" is online learning, said Ms. Galvin. The agency wants to increase efficiency by putting the most popular courses online and seeks new sources of funding to accomplish that goal.

Two months after launching his demolition company, Marc Alleyne scored his first signed contract—with a large general contractor, courtesy of his participation in NYC Teaming. A partnership of SBS and American Express Open, the no-fee program encompasses workshops and webinars on a range of topics (including the ways small businesses can benefit from alliances with large contractors), as well as a networking component that gives small businesses an opportunity to meet sizable contractors to pursue deals.

"It fostered a sense that you can start your own business," said Mr. Alleyne, a former ironworker who had been injured on the job and was unemployed for a year before buying a truck, tools and insurance and launching Rosedale, Queens-based Spartan Demolition Co. The eight-month-old firm, which has yet to reach profitability, now employs six workers and generated \$210,000 in revenue last year.