

Russell Squire
Chair

Will Brightbill
District Manager



New York, N.Y. 10022-1106
(212) 758-4340
(212) 758-4616 (Fax)
www.cb8m.com – Website
info@cb8m.com – E-Mail

The City of New York
Community Board 8 Manhattan
Small Business Committee
Tuesday, July 13, 2021 – 6:30 PM
This meeting was conducted via Zoom

MINUTES:

CB8 Members Present: Michele Birnbaum, Lori Bores, Alida Camp, Valerie Mason, Barbara Rudder, Barry Schneider, and Cos Spagnoletti

Assembly Member Rebecca Seawright spoke about New York State grants available to small businesses. Over 78% of small businesses with fewer than 500 employees surveyed reported a negative impact on their business during the pandemic. As part of the \$212 billion budget, there are provisions to assist small businesses, such as 800 million for struggling small businesses through the small business recovery program, administered by the Empire State Development Corp. The grants could be used for various business costs, including payroll, rent, utilities, mortgage payments, payment of local property or school taxes, insurance, PPE to protect workers, consumer health and safety utilities, HVAC and other equipment to comply with health protocols. Priority will be given to microbusinesses, WMBEs, service, disabled and veteran-owned businesses, small businesses that did not qualify for or receive sufficient federal assistance, socially and economically disadvantaged business owners and businesses located in communities economically distressed prior to March 1, 2020, as determined by the most recent census tract data. Grants from the recovery grant program are exempt from personal income tax and corporate franchise tax. It has been signed into law. Assembly Bill 8033 will ensure that critical grant funding is issued to help businesses recover from the pandemic.

AM Seawright also sponsored legislation to help restaurants financially, including allowing the use of public outdoor spaces for another year.

The Restaurant Resilience Program has funded \$25 million to help restaurants that provide meals to distressed, underrepresented communities, but this program has not been finalized.

Restaurant return to work tax credit of \$35 million open to all small independently-owned restaurants in NYC, or areas designated by DOH as a red or orange zone for at least 30 consecutive days. Applicants must demonstrate covid-related revenue losses and hire one full-time worker. Qualifying restaurants are eligible for a tax credit of \$5000 per new worker for up to \$50,000 per business.

Some grants are indefinite and available until funds are used up. Details of administration are not complete for others.

In response to a question about the discrepancy between the City open restaurant program that the mayor wants to be permanent and state legislation that extends only for a year. AM Seawright replied that the State would have to extend the program for the City to maintain a program for longer than the year.

For more information:

- Go to nysmallbusinessrecovery.com, or call 877-721-0097
- Contact AM Seawright's office by phone (212-288-4607) or email (seawright@nyassembly.gov)
- Contact small business development offices at Pace University or Baruch College who can assist with business plans or applying for grants

AM Seawright encouraged small businesses to sign up for her newsletter and send in names of favorite local small business and restaurants. Her office is a resource for the community.

Am Seawright held her 50th Town Hall on small businesses. The program is available to watch with information from the Empire State Development Corp. and City programs.

Council Member Keith Powers' Chief of Staff Kate Theobald spoke in lieu of CM Powers who was not able to attend. Kate spoke about the City's program on reduction or elimination of fees and fines for small businesses.

The City wants recovery to be accessible, equitable and full of opportunity for small businesses, which requires the City reopening in a responsible manner.

The City must provide help for small businesses. CM Powers has been working on programs to assist them.

The City Council recently passed two bills to help small businesses. Intro 2233 is waiting for the Mayor's signature. It expands cure options for small businesses, lowers certain penalties, and waives certain penalties for certain violations for sanitation, noise control, health, consumer affairs, transportation, and buildings laws. It would allow fixing a violation before paying fines or not paying a fine for a first offense. Labelling of garbage cans is an example, which would allow fixing the problem before being financially penalized. Legislation to prevent disruptions to businesses and the alleviation of financial burdens is required.

The second bill, Intro 2234, is awaiting the Mayor's signature. It builds upon long-term reforms by refunding fines paid during the pandemic. Judgements dated on or after March 7, 2020, receives 75% discount on base penalty and an interest waiver. For judgments issued prior to that date, the business owner would receive a 25% discount and an interest waiver if they pay during the amnesty period. It would be administered by the Commissioner of Finance, and last 90 days, with an option to extend by an order of the Commissioner. It would also allow additional cure periods with no penalties for second or third violations and relief from civil penalties. The City Council wants to enable small businesses to thrive.

CM Powers has been pushing for changes in the Commercial Rent Tax, but there is no hearing date set for the legislation.

A question was asked about fines for illegal structures that restaurants have built. Although there have been fines, the structures are still up. The question asked what will be done. Kate responded that cease and desist orders were issued, but fines have been avoided. Kate noted that the structures can

be taken down. The City is looking at what to do about bad actors in the open restaurant program. Commissioner Pincar spoke to CM Powers about the concern. The DOB has the ability to remove the structures.

A further question was asked about removing the DCA from sidewalk cafes and giving the responsibility to DOT. Elimination of certain laws, such as no personal liability for restaurants, are part of the open restaurant plan.

There is a concern about balancing the needs of residents who live near or above restaurants using outdoor spaces and the financial concerns of restaurants. Kate noted that constituents have contacted their office. OATH has a program for mediation between restaurant owners and residents, and CM Powers also works to remedy issues between residents and restaurants.

There are also concerns about the impact of loss of parking from outdoor restaurants using curb space on small businesses whose customers park near their businesses. Kate raised the parking issue for residents who are unable to park near their buildings. She noted that there are many concerns that need to be analyzed in looking at the Open Restaurant program.

Further concerns were raised about equities for restaurants that were unable to have outdoor space because they are near bus stops, as they are consequently suffering a more significant financial impact from the pandemic.

A question was asked about business interruption insurance applying to businesses impacted by the pandemic. Kate responded that there was a State bill pertaining to business interruption insurance but it did not pass in the most recent session.

Loan amounts were determined by the number of staff at restaurants. Those who hired additional staff to accommodate extra outdoor seating were eligible for much higher loan amounts than restaurants that were not able to use outdoor space and could not hire additional staff. The suggestion was made to look at previous years to balance out fairness to all restaurants. It was proposed that the City could reduce taxes for some restaurants to increase equity. Kate responded that reduction in fines is intended to increase equities.

For hotels, the City is trying to reduce property taxes to help keep money in businesses' pockets.

It was noted by Board members that there are entire blocks of restaurants that were unable to take advantage of the Open Restaurant program because of the bike lanes. A suggestion was made to give City tax credit, because bike lanes were put in by the City, or provide particular benefits to those restaurants that were impacted by the City decision to put in bike lanes at locations that had an additional negative impact that has led to further inequities. CM Powers worked with some residents negatively impacted by bike racks and DOT to try to get workarounds by allowing use of adjacent spaces, for example.

Board members emphasized that the City needs to consider equities in any evaluation of the Open Restaurants program and financial benefits or other programs. The Board is very concerned about equities for restaurants that were unable to participate in the program. Not only did they not receive a financial benefit, but they are further impacted by being eligible for smaller federal grants than those restaurants that were able to hire additional workers because they did participate in the Open Restaurant program.

NYsmallbusinessrecovery.com has a lot of resources. Owners could put their information into the website, and they will receive information as it comes out. Valerie Mason, co-chair of the Small

Business Committee, recommended that diners remind restaurant owners that they could apply for grants. Staffing is a big issue for restaurants who are having trouble recruiting staff. If diners could remind owners that they are eligible for grants, it may help the owners.

Alida Camp and Valerie Mason, Co-Chairs