



SMALL BUSINESS ADVISORY COMMISSION:

Making NYC a **City of Yes**
for Small Businesses

CONTENTS

pg. **2**

**Letter from
Commissioner Kim**

**Executive
Summary**

pg. **3-5**

pg. **6-11**

**Update: FY24
Recommendations**

**FY25
Recommendations**

pg. **12-13**

pg. **13**

Conclusion

LETTER FROM COMMISSIONER KIM



Dear New Yorkers,

There's never been a better time to open a small business in NYC. In fact, we have a record number of NYC small businesses up and running today!

At the NYC Department of Small Business Services (SBS), we help entrepreneurs every day to achieve their American Dream. From low-interest business loans to revitalizing commercial corridors and providing free legal services, SBS supports nearly 200,000 businesses at all stages of growth.

Mayor Eric Adams and SBS established the Small Business Advisory Commission (SBAC) in 2022 to cut red tape and proactively involve small business owners in policy-making. As the inaugural SBAC chair, I have the privilege of working alongside these dedicated business owners and industry association leaders to make NYC a "City of Yes" for entrepreneurs.

SBAC continues its mission through year-round discussions, resulting this year in four new recommendations and seven updates to ongoing programs. I express my sincere gratitude to each of the Commission members for their tireless advocacy on behalf of the world's greatest small business community.

We encourage all New Yorkers to share their ideas for supporting small businesses at regreform@sbs.nyc.gov.

Sincerely,

A handwritten signature in black ink that reads "Kevin D. Kim". The signature is written in a cursive, flowing style.

KEVIN D. KIM

Commissioner
NYC Department of Small Business Services

EXECUTIVE SUMMARY

The Small Business Advisory Commission had a productive year in FY24: from launching pilot programs for the small business community to joining legislative advocacy campaigns that aim to relieve regulatory burdens of small business owners. The Commission continues to be laser focused on cutting red tape from multiple angles by:

- increasing awareness of support and information that can help business owners understand rules and regulations
- reforming outdated regulations alongside our agency partners
- developing paths for business owners to work in partnership with regulatory agencies to decrease violation and summons issuance while increasing business compliance

The collaborative, public-private Commission's dedication to the sustainability of the city's small business community is evident in the work completed over the past year and this year's recommendations.



HIGHLIGHTS

Empowering Entrepreneurship

SBAC's Education and Outreach Subcommittee called to the Commission's attention that small business owners are not fully aware of the NYC Department of Small Business Services (SBS), the services available, and that they have an ally in city government through SBS.

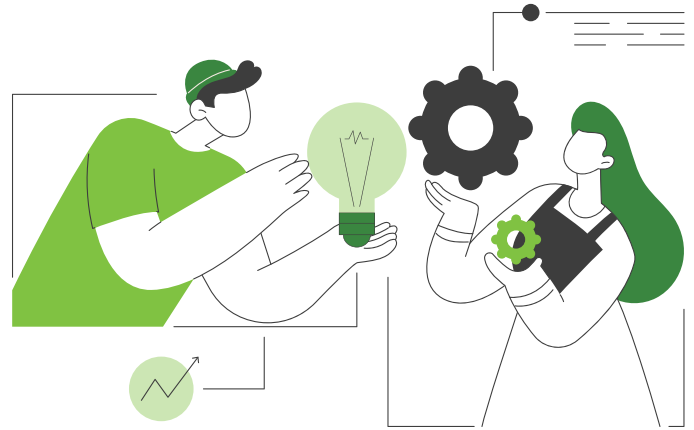
To improve public awareness, SBAC issued a recommendation for a pilot Small Business Ambassador Program to:

- leverage partnerships with external stakeholders
- create content to attract small business owners and encourage them to share the information
- host events and create material to help SBS extend its network and reach

Creating Pathways for Compliance

SBAC's Enforcement and Operations Subcommittee continued to work with SBS teams to make understanding city rules and regulations easier for small business owners.

This year, they supported SBS to launch a new series of live webinars with experts from various city agencies, including SBS, to walk business owners through what licenses and permits they need to run various businesses across multiple industries.



Advocacy

Mayor Adams's Executive Order 2 of 2022 -- also known as Small Business Forward -- required the city's regulatory agencies to review and reform select business-related regulations to ease burdens on small businesses. SBAC members signed a letter advocating for the City Council to pass Intro 845, implementing dozens of the 118 reforms identified through Small Business Forward. Following their advocacy, the City Council passed the bill, which was signed by Mayor Adams in 2023, demonstrating the importance of the Commission's voice.

The reforms identified through Small Business Forward, which include eliminations of outdated regulations, reductions of fines and fees, and introductions of cure periods, are estimated to save small businesses upwards of \$8 million per year.



5 - Making NYC a City of Yes for Small Businesses

UPDATE: FY24 RECOMMENDATIONS PROGRAM DEVELOPMENT



NYC BEST Bootcamp

Keeping up with changing regulations while managing day-to-day operations can be challenging for a small business owner. The Enforcement and Operations Subcommittee recommended an easy-to-access resource to help business owners understand city rules and regulations. In collaboration with city/state regulatory agencies, community-based organizations, and utility companies, SBS' NYC Business Express Service Team (BEST) launched the NYC BEST Bootcamp to educate business owners about the city's many rules and regulations so they can avoid violations, as well as requirements for necessary licenses and permits. The NYC BEST Bootcamp series included four core webinars and five industry-specific webinars - food service, retail, manufacturing, childcare, and outdoor vending. There was a total of 170 registered attendees across three rounds of each of the modules.

Surveys given to attendees during and after the webinars show that almost 65% of attendees thought they were more prepared to apply for permits/licenses or for a city inspection before going through the Bootcamp. Generally, attendees felt more prepared and comfortable with city permits and inspection processes.

SBS and its partners are committed to the next iteration of the NYC BEST Bootcamp, which will launch Fall 2024.

Small Business Ambassador Program

The Small Business Ambassador Program was designed to create more opportunities for engagement with small business owners by leveraging the power of word of mouth to recommend SBS services. Ten SBAC members participated in the pilot program between September 2023 and January 2024.

Ambassadors were tasked with activities designed to increase public awareness of SBS and its services through resource sharing and content creation. Many of the efforts exceeded expectations, including an increased number of entrepreneurs signing up for SBS email lists and more than 5,000 Instagram views for an Ambassador-created video posted on SBS's account.

The next iteration of the Ambassadors Program will take place in Fiscal Year 2025. Program activities will be aligned with ongoing SBS promotions of NYC BEST in Your Community and Small Business Month.

Business Resource Sharing and Networking Event

An ambassador worked with the Queens College Incubator to host a business fair. The event reached 70 entrepreneurs and - according to a survey conducted by the ambassador - included a diverse group of attendees across ages, gender, race, years in business, etc. SBS Outreach team was in attendance, available to answer any questions and provide guidance on free city services available to help attendees. Prior to the event, the ambassador conducted outreach to businesses to raise awareness about the fair.



Mobie Visits Little Caribbean

Mobie, SBS's mobile office and agency mascot, has helped make SBS more visible in any community it visits. The mobile unit is used at small business events year-round and provides visitors with a direct connection to the agency's services. An ambassador helped organize a Mobie visit in their community - Little Caribbean in East Flatbush, Brooklyn. During the visit, the SBS Outreach team spoke with local small business owners to learn about their business needs and tell them about free city services available to help.

The ambassador's team provided translation support, specifically in Haitian Creole, during door-to-door canvassing where they reached 37 entrepreneurs, supplementing SBS' outreach materials in Haitian Creole. The event was recognized in the Brooklyn Borough President's newsletter.



OUTCOMES



TRAINED

39 **12**
STAFF AGENCIES



58
RULES SUBMITTED

18
AFFECT
SMALL BUSINESSES

CAPA Compliance Cost

The Licensing, Fines, and Fees subcommittee expressed concerns that regulatory agencies create rules without considering the small business community and the impact the rule would have on their operations. Through a City Administrative Procedure Act (CAPA) form revision, city regulatory agencies will be asked to consider how new proposed rules and regulations impact the business community's compliance cost when they are submitting them for CAPA review. "Compliance cost" refers to the actions a regulated entity must take to comply with a rule that costs money or takes time - e.g., purchasing equipment, hiring a skilled trade, submitting reports. Compliance cost is not an estimate of the long-term financial impact of a proposed rule.

The Mayor's Office of Operations added a compliance cost question to the CAPA form and trained 39 staff members across 12 city regulatory agencies on the form. The new question requires agencies to indicate where there are significant cost or time-related compliance impacts on small businesses subject to new proposed rules, when applicable.

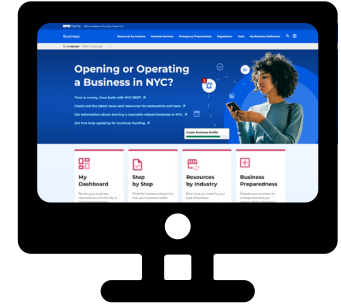
Since the start of the fiscal year 2024, (July 1, 2023) agencies have submitted 58 rules for CAPA review, 18 of which affect small businesses.

MyCity Business Site

Keeping up with changing regulatory rules as well as day-to-day operations can be challenging for a business owner. SBAC believes that improving transparency regarding compliance processes would increase trust between city agencies and small business owners. For this reason, SBAC requested to work alongside SBS and the NYC Office of Technology and Innovation (OTI) to develop the MyCity Business Site by providing subject matter expertise. The recommendation was for OTI to engage with SBAC to

- provide updates on MyCity Business development
- gather additional user feedback in real time
- engage SBAC in user testing phases

There were 55 sessions of usability testing attended by SBAC members and their partners from July - November 2023. Participants completed specific activities using mobile phones, desktops, and tablets to ensure usability across platforms.



55
USABILITY
TEST SESSIONS

Outdoor Vending

The Street Vendor Advisory Board report of March 2022 states in its opening sentence “Street vending, while an important presence in New York City, is frequently subject to intense public debate, in part because of the complicated patchwork of State and City laws and rules that govern it.” In addition, there are numerous stakeholders, further complicating the current street vending environment in New York City.

In its first year, the SBAC recommended that the city conduct a street vending landscape study. Updates to that effort include that DOHMH is conducting a commissary needs assessment and considering opportunities for expanded use of the Restricted Area Permit.





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PARTNERSHIPS

Partnerships

SBAC members strongly believe small business owners are not fully aware that SBS exists, what services are available, and that they have an ally in city government through SBS. To improve public awareness, SBAC's Education and Outreach subcommittee issued a recommendation to leverage partnerships with external stakeholders. SBS has more than 550 community partners and SBAC will continually contribute to these partnerships.

Plumbing Journeyman

Plumbing journeyman registration requirements are extensive. According to some in the industry, these requirements may limit access to employment and pose a barrier to long-term growth of the plumbing industry.

Over the last year, SBAC has consulted with individuals with expertise in plumbing industry workforce development and small business owners, including a resident expert on SBAC, to better understand industry barriers which contribute to (1) challenges related to opportunities for residential work and recruitment in the plumbing educational pipeline and (2) difficulty for small business owners to find licensed workers.

SBAC will continue its research, including with outreach to master plumbers, over the next year to develop solutions for the industry.





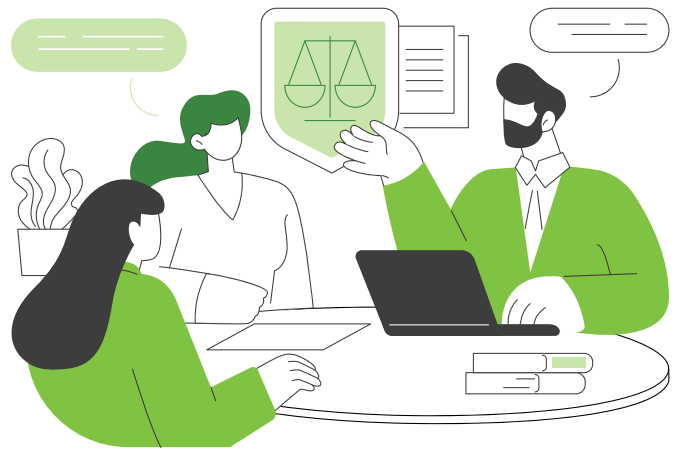
FY25

RECOMMENDATIONS

Expand Education-First Compliance Programs

CHALLENGE: The small business community has expressed a desire to work more closely with regulatory agencies and welcome innovative solutions to support small business owners who want to be compliant with less focus on “bad actors.”

RECOMMENDATION: SBAC’s Enforcement and Operations subcommittee recommends the city explore free, innovative city agency education-first programming, such as the NYC Department of Consumer Worker Protection (DCWP)’s Visiting Inspector Program, aimed at increasing compliance, to save businesses money on violations. SBS will work with DCWP and the Department of Buildings to determine effective programs and initiatives.



Ease Business Operations Burdens

CHALLENGE: Commission members have expressed concern that businesses are leaving New York City for cheaper, adjacent areas like New Jersey. According to a JP Morgan Chase report, New York City was ranked second to last in doing business. One of the major obstacles for the small business community is high operating costs.

RECOMMENDATION: SBAC would like the city to assess existing incentives and explore areas of opportunity for new incentives focused on decreasing operational costs for small business owners, to ensure citywide sustainability across industries.



Childcare Provider Support

CHALLENGE: Childcare providers have continually expressed challenges navigating the childcare business industry's many requirements they believe keep them from successful operation.

RECOMMENDATION: SBS, alongside the Mayor's Office of Childcare, will connect childcare providers to SBS programs and, where necessary, develop additional tools and resources to support childcare providers.



Regulations for Reform

CHALLENGE: In last year's annual report, Commission members recommended a further review of the city's regulations in the spirit of Small Business Forward.

RECOMMENDATION: Commission members have identified more than two dozen regulations they believe impact small businesses unevenly, may be too subjective, or are outdated and want them to be removed or replaced. The Commission would like to work with DOHMH and DCWP to reform regulations that Commission members have identified as burdensome to the small business community.

CONCLUSION

The Small Business Advisory Commission's unwavering dedication to positively change the city's interactions with the small business community is reflected in the work completed over the last year and recommendations made this year. On to FY 2025!

About the Department of Small Business Services (SBS)

SBS helps unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to good jobs, creating stronger businesses, and building vibrant neighborhoods across the five boroughs.

For more information, visit nyc.gov/sbs, call 311, and follow us on [Facebook](#), [Twitter](#), [Instagram](#), and [LinkedIn](#).