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LETTER FROM COMMISSIONER GROSS

Dear New Yorkers,

New York City's prominence as a global city is due, in large part, to the strength and spirit of our small business community. Across the five boroughs, local entrepreneurs are opening new businesses, creating jobs for our neighbors, and delivering essential goods and services that keep our neighborhoods vibrant. Their resilience, creativity, and commitment fuel our economy and reflect the entrepreneurial spirit at the heart of NYC.

In 2022, Mayor Eric Adams established the Small Business Advisory Commission (SBAC) to give proactive members of the small business community a voice in shaping city policy. Now entering its fourth year, SBAC is composed of business owners, street vending advocates, and representatives from Business Improvement Districts (BIDs) and chambers of commerce from across the five boroughs. These New Yorkers bring firsthand experience, a deep commitment to this city, and practical ideas on how we can improve the city's business climate.

As Chair, I'm honored to work alongside these dedicated and thoughtful leaders. This year, the SBAC has issued five new recommendations aimed at:

- · Improving business inspections
- Increasing language access
- Improving access to regulatory information
- Increasing public space activation
- Exploring alternatives to zip-codes for LMI classifications

We know that many New Yorkers understand the importance of making New York City the best place to launch and operate a small business. You can share your ideas, insights, and feedback with the Small Business Advisory Commission at **regreform@sbs.nyc.gov**. Your voice matters.

Sincerely,

DYNISHAL P. GROSS

Commissioner

NYC Department of Small Business Services

EXECUTIVE SUMMARY

The Small Business Advisory Commission had a highly productive year in FY25. Its advocacy has led to the successful advancement of reforms to the NYC Department of Health and Mental Hygiene's annual inspections of food-service establishments and the launch of Small Business Forward 2.0, a new Mayoral initiative focused on cutting fines and fees across city government.

The Commission remains laser-focused on reducing red tape from multiple angles, including:

- Increasing awareness of city resources that help business owners better understand and navigate rules and regulations
- Working to reform outdated or burdensome regulations
- Creating pathways for business owners to learn from regulatory agencies, reducing violations and summonses while improving compliance

This strong public-private partnership continues to help city government understand and address the evolving needs of New York City's small business community.



TOP 4 ADVOCACY WINS

Small Business Forward

Under Executive Order 2 of 2022, Mayor Adams launched the "Small Business Forward" initiative, directing regulatory agencies to review the most common business violations and identify reforms. The Small Business Advisory Commission (SBAC) strongly supported this effort, advocating for the passage of Intro 845, which helped codify the package of more than 100 reforms. Thanks in part to the Commission's leadership, the bill was passed by the City Council and signed into law by the Mayor in November 2023, demonstrating the power of SBAC's voice and saving small businesses millions of dollars in fines, fees, and compliance burdens.

On May 29, 2025, at the NYC Small Business Month Expo, Mayor Adams announced Small Business Forward 2.0, a renewed interagency initiative to build on his 2022 effort to identify additional opportunities to align small business regulations with an education-first approach.





Boiler Inspection Penalty Relief

SBAC members brought attention to civil penalties imposed on businesses for boiler work completed before inspection. Working with the Department of Buildings (DOB), SBS helped secure a new rule that allows business owners to opt in to existing inspection waivers, avoiding penalties that can reach up to \$6,000.

Expanding Access to Food Protection Certification (FPC)

SBAC members identified challenges faced by food service workers needing in-person certification exams required by the Department of Health and Mental Hygiene (DOHMH), with only one testing center previously available for all certification applicants. As a result of SBAC's advocacy, DOHMH opened a new FPC testing site at the College of Staten Island, helping the city's ~254,000 food service workers more easily meet safety requirements.





Health Inspection Reforms

SBAC members raised concerns about the impact of unannounced health inspections on restaurant operations, including disrupted service, canceled events, and lost revenue due to limited staffing flexibility to continue service while responding to inspector questions. In response, the Adams administration and DOHMH introduced **Small** Business Forward 2.0 at the 2025 NYC Small Business Month Expo, launching a new inspection window policy featuring a two-email notification system. The first email is sent one to five months in advance, and the second is sent three to six weeks prior to the inspection. Each notification includes guidance, resources, and checklists to help restaurants understand DOHMH regulations and improve food safety compliance.

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UPDATE: FY24 RECOMMENDATIONS

Expand Education-First Compliance Programs

In May, 2025, DOB Commissioner Jimmy Oddo announced the return of their No-Penalty Inspection Program, allowing building owners the opportunity to comply with city rules by taking advantage of DOB's free inspections thorough the end of June 2025, underscoring Mayor Adams' commitment to education over enforcement and a perfect complement to SBS's NYC Business Express Service Team (NYC BEST) free business consultations.

Ease Business Operations Burdens

Commission members have frequently discussed their firsthand experience with the rapidly rising cost of doing business in New York City, citing increases in commercial rents, labor, and insurance expenses, making relocation to less regulated states more attractive. These conversations led to the development of two small business impact surveys - Operational Costs and Regulatory Violations - which were deployed in May in multiple languages. SBS is also studying business incentives across the country to explore ways NYC can optimize our incentives portfolio.

Childcare Provider Support

Childcare providers, among the most heavily regulated businesses in New York City, have continually expressed challenges navigating the many requirements which they believe keep them from successfully launching, operating, and expanding to meet current demand. Working with the Mayor's Office for Child Care and Early Childhood Education to better understand the technical needs of New York City's childcare providers, who are among the most heavily regulated businesses, SBS has designed a feedback survey to better understand availability of resources for this industry.



FY25

RECOMMENDATIONS

Improving Business Inspections

CHALLENGE: The need to build trust between inspectors and business owners is essential to ensuring the health and safety of the public and each businesses' ability to sustain their operations.

RECOMMENDATION: Develop an accountability tool for enforcement and businesses.



Improving Access to Regulatory Information

CHALLENGE: Frequent updates to business requirements across regulatory agencies can be challenging to convey to small business owners using current city-operated platforms.

RECOMMENDATION: Identify alternative communication tools to convey regulatory information to business owners with limited access to technology.



Increasing Public Space Activation

CHALLENGE: Activating public space is a costly proposition requiring time, money, and no small amount of effort on the part of small businesses.

RECOMMENDATION: Create and promote equitable and affordable longterm solutions for the use of streets and other spaces by small business owners who would like to activate public spaces in creative ways that bring communities together.



SBAC SUPPORTED RECOMMENDATIONS



Exploring Alternatives to ZIP Codes for LMI Classifications

CHALLENGE: Seen as a barrier to small businesses by the Asian American Pacific Islander Small Business Taskforce, low-and-moderate-income (LMI) determination by ZIP Codes in gentrifying urban areas can result in the arbitrary and unintentional exclusion of residents and businesses from programs and services. The Commission would like to understand how much of an area's population is left out when LMI determinations in New York City are calculated by ZIP Code instead of through census tracts and, if possible, explore its impact on other urban centers.

RECOMMENDATION: Identify opportunities for alternatives to using ZIP Code as LMI determination.

Increasing Language Access

CHALLENGE: City inspectors have been trained to provide guidance on the violation(s) being issued and how to correct it. However, members of the Latino American Small Business Taskforce raised a concern that business owners may not be present when inspections occur, causing them to rely on their employees to accurately convey what has been shared by an inspector. Often, when language barriers exist, business owners are not aware of free resources available to them in the form of Language Line and other taxpayer provided services.

RECOMMENDATION: Promote language interpretation services throughout outreach and administration of regulatory processes such as rule making, public hearings, summonses, and violation notices.



Members of the Small Business Advisory Commission have dedicated their time, effort, and expertise to the work detailed in this report, demonstrating their commitment to improving the regulatory environment for New York City's small business community. Their FY25 recommendations would build on the work of the Adams Administration and, if implemented, can make New York City an even better place to start, operate, and grow a small business.

SBAC MEMBERSHIP



Commisioner Dynishal Gross NYC Small Business Services Chair



Deepa Dadlani
VICI Brands Inc.
Co-chair | Education
& Outreach



Dr. Erika Faust
Elite
Orthodontics
Co-chair | Education
& Outreach



Dominic Christopher Deh Abroad Village Co-chair | Enforcement & Operations



Megan Rickerson
Someday Bar
Co-chair | Enforcement
& Operations



Andrew Rigie
New York City
Hospitality Alliance
Co-chair | Licensing
Fines & Fees



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Bronx Chamber
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Fines & Fees



OUTREACH

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EDUCATION

Tiffany Diaz
My First Steps
Enrichment Program
2 Inc.



Joy Fan Re/Tell



Tom Grech
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Carmen
Hernandez
NYCLGBTQS Chamber
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Dawn Kelly The Nourish Spot Inc.



Jeffrey Kwan Canal Sound and Light



Dheydra Lovell
Garden of Knowledge
Day Care &
Learning Center



Andrew Walcott
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John Wang Queens Night Market



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Jamila Wright
Brooklyn Tea



Alex Xu
Xuper Marketing Inc.

Tariq Zaid
Richmond Hood
Company / Vodega



Jabr Zanta La Seen Printing

ENFORCEMENT &

OPERATIONS



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Joseph Ferrera

DBA Ferrera

Manufacturing

Company



FEES

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LICENSING FINES

Mohamed Attia Street Vendor Project



Matt Bauer
BID Association
Regulatory Reform
Working Group



Micah Bergdale Joulez Inc.



Rudy Cazares
Cazar Logistics LLC



Nina Flores
BID Association
Regulatory Reform
Working Group



Tony ForteCoffee Uplifts People



Sandra Jaquez
Latino Restaurant
Bar and
Lounge Association



John (Xu) Jiang
NY Laundromat
Business Association



Tamara Keshecki St. George Theatre Restoration Inc.



Richard Nicotra
Hilton Garden Inn,
Hampton Inn Suites



Randy Peers
Brooklyn Chamber
of Commerce



Frank
Scarangello
SCARAN



David Landau Continental Capital LLC



Yoonjoo Lee Janchimyeonga



Francisco Marte
Bodega & Small
Business Association
of NYC



Mahi Rahman Mannan Halal Supermarket



Chaim Sobel
Vanta Developers /
Future Brands

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 <u>nyc.gov/sbs</u>, call 888-SBS-4NYC, and follow us on <u>Facebook</u>, <u>X</u>, <u>Instagram</u>, and <u>LinkedIn</u>.

