

DEPARTMENT OF SMALL BUSINESS SERVICES

Jannel Doris, Commissioner



WHAT WE DO

The Department of Small Business Services (SBS) makes it easier for businesses in New York City to start, operate and grow by providing direct assistance to business owners, fostering neighborhood development in commercial districts and linking employers to a skilled and qualified workforce. SBS runs the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce1 Career Centers; provides grants and services to support the growth of local community and economic development organizations throughout the City, oversees the largest network of Business Improvements Districts (BIDs) in the country; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program.

FOCUS ON EQUITY

Equity and opportunity are at the core of the work we do at SBS, and our key values—collaboration, innovation, and adaptability—are woven into all we do. Collaborating with the community to design programs and services that directly address their needs. Recommending bold and innovative solutions. Adapting to a changing world. These values lay the foundation for our three pillars—good jobs, stronger businesses and thriving neighborhoods. SBS is committed to ensuring economic security for all New Yorkers by providing a wide range of services that help businesses, jobseekers and communities throughout the five boroughs.

Through business programs such as Women Entrepreneurs NYC (WENYC), the agency has committed to providing customized services to 5,000 women entrepreneurs in underserved communities. As part of the City's Black entrepreneurship initiative (BE NYC), in late 2019 and early 2020 SBS engaged more than 1,500 business leaders, advocates and community members around the question of strengthening and supporting Black entrepreneurship in NYC. As part of its efforts to close the racial wealth gap the agency also oversees certification and capacity building services for Minority and Women-owned Business Enterprises (M/WBE). To date, SBS has certified over 10,000 M/WBEs through Fiscal 2020, more than doubling the certified pool of M/WBEs in less than three years, achieving a goal set by Mayor de Blasio in 2016.

SBS is investing in the future of New York City's workforce and equipping jobseekers with the skills they need to build careers in the 21st century economy. Supporting the Mayor's Career Pathways plan, SBS trains New Yorkers for good-paying jobs and links jobseekers to employment in fast-growing industries with opportunities for advancement and has developed targeted services for immigrants, out of school, out of work youth and people formerly acquainted with the criminal justice system.

OUR SERVICES AND GOALS

SERVICE 1 Help businesses start, operate and expand in New York City.

- Goal 1a Ensure that businesses and entrepreneurs have easy access to a variety of high quality support services.
- Goal 1b Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

SERVICE 2 Match businesses in need of workers with qualified applicants.

- Goal 2a Ensure that businesses have timely access to qualified job applicants.

SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.

- Goal 3a Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.

- Goal 4a Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

HOW WE PERFORMED IN FISCAL 2020

SERVICE 1 Help businesses start, operate and expand in New York City.

Goal 1a Ensure that businesses and entrepreneurs have easy access to a variety of high quality support services.

In Fiscal 2020, SBS served 22,460 unique customers and businesses across the five boroughs. The nearly seven percent increase from the prior fiscal year is due to an overall increase in division-wide performance, as well as increased need as small businesses were impacted by COVID-19. During this same reporting period, SBS helped small businesses obtain 4,750 financing awards totaling \$122.6 million. The number of awards tripled and the award value compared increased 60 percent compared to the prior fiscal year, largely due to COVID-19 financing programs including the Small Business Continuity Loan and Employee Retention Grant. Eighty percent of financing awards were COVID-19 related and 38 percent of the total award value was due to COVID-19 financial products.

The number of unique businesses served by SBS programs that help navigate government was almost half of the amount in the prior fiscal year. This decrease is due to certain cross-agency services made more efficient under the Mayor's Small Business First initiative, as well as a shift of resources to focus on COVID-19 business recovery, emergency response and relief. The number of businesses opened with assistance from SBS decreased by almost a third to 376 and the number of hires at those businesses decreased by 20 percent to 3,463. This decrease is largely due to COVID-19, during which time fewer businesses opened citywide and SBS staff trained to help businesses open were reallocated to the pandemic response effort.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Unique customers and businesses served	14,128	18,352	19,842	21,069	22,460	*	*	Up	Up
★ Unique businesses receiving financial awards (facilitated or disbursed)	432	593	825	977	4,525	470	470	Up	Up
★ Financial awards to businesses (facilitated or disbursed)	567	658	1,074	1,186	4,750	540	540	Up	Up
Value of financial awards to businesses (facilitated or disbursed) (\$000)	\$44,983	\$45,701	\$54,234	\$76,152	\$122,610	*	*	Up	Up
★ Businesses opened with assistance from SBS	915	867	537	529	376	↑	↑	Down	Up
Projected number of hires by businesses opened with assistance from SBS	12,759	10,096	5,204	4,355	3,463	*	*	Down	Up
Unique customers served by programs that help navigate government	3,861	5,484	5,230	5,176	2,771	*	*	Down	*
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

Goal 1b Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

The Energy Cost Saving program (ECSP) and its companion program, the Lower Manhattan Energy Program (LMEP), help retain and attract eligible businesses by reducing energy cost associated with relocation or capital improvements. Lower energy costs are a significant incentive to promote business retention for firms and facilities seeking to move, modernize and/or expand. The programs save businesses up to 45 percent on eligible utility costs.

Although the Energy Cost Savings Program (ECSP) was scheduled to expire at the end of Fiscal 2020, it has been extended until June 2023. During Fiscal 2020, ECSP approved 58 businesses for benefits representing almost 3,200 jobs. The participants during Fiscal 2020 were generally larger businesses, with more employees, compared to the prior year. These were larger energy users that had higher estimated energy savings relative to last year and significantly greater capital investment. Some included multi-tenant commercial and industrial renovation projects within the boroughs that will be able to confer benefits to the smaller businesses renting space within the facilities.

The Lower Manhattan Energy Program (LMEP) was also scheduled to expire in June 2020 but has been extended until June 2023. The LMEP, measured on a cumulative basis, saved 276 commercial businesses tenants \$4.9 million in energy cost during Fiscal 2020. These decreases from the prior year were expected. The LMEP has a finite number of potentially eligible buildings that can qualify for the program and the majority have applied and are completing their respective benefit schedules. There are only a few potential qualified projects that are positioned to seek approval at this time.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Value of Energy Cost Savings Program savings for businesses (\$000)	\$878	\$2,003	\$678	\$816	\$1,276	*	*	Down	*
Jobs created or retained by Energy Cost Savings Program	1,060	9,753	3,403	2,446	3,191	*	*	Down	*
Value of Lower Manhattan Energy Program savings for active commercial tenants (cumulative) (\$000)	\$10,028	\$7,905	\$6,105	\$5,069	\$4,893	*	*	Down	*
Commercial tenants active in Lower Manhattan Energy Program	1,007	784	463	321	276	*	*	Down	*
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

SERVICE 2 Match businesses in need of workers with qualified applicants.

Goal 2a Ensure that businesses have timely access to qualified job applicants.

The Workforce1 Career Center system served a total of 93,944 jobseekers in Fiscal 2020. More than a third were served exclusively online or over the phone as the 18 Workforce1 Career Centers paused in-person services in mid-March due to COVID-19. The reduction in number of job seekers served and walk in traffic to Centers when compared to last year is due to the impact of COVID-19. New Yorkers successfully connected to 26,204 jobs with the support of Workforce1 in Fiscal 2020, making this the eighth year in a row that this target has been exceeded. The average hourly wage for the reporting period was \$16.66, compared to \$15.73 last year.

SBS offers training programs that were designed with employer input to ensure the New Yorkers we train acquire in-demand skills. These programs include trainings with a single provider, employer-based trainings and individual training grants providing jobseekers with their choice of trainer for a variety of in-demand occupations in tech, healthcare, manufacturing, construction, transportation, food, media and entertainment. In Fiscal 2020, SBS enrolled 2,123 New Yorkers into trainings, of these 429 participated in trainings that were made available primarily online due to COVID-19 (some trainings, such as commercial driving, still required limited in-person sessions). SBS stood up a new Home Health Aide training to respond to the increased demand for these workers during the pandemic.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Workforce1 systemwide job placements and promotions	28,455	28,170	25,534	27,367	26,204	25,000	25,000	Neutral	*
New jobseekers registered through the Workforce1 Career Center system	55,647	54,816	52,285	52,028	44,208	*	*	Down	*
Walk-in traffic at Workforce1 Centers	273,753	271,573	275,137	260,219	240,175	*	*	Down	*
★ Customers enrolled in training	3,649	3,464	3,756	2,195	2,123	↑	↑	Down	Up
Unique customers served	104,715	104,239	102,357	100,677	93,944	*	*	Neutral	Up
★ Businesses awarded funding for employer-based training	57	54	15	30	12	*	*	Down	*
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.

Goal 3a Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

In Fiscal 2017, SBS awarded 11 community-based organizations (CBOs) nearly \$8.5 million over 3.5 years to revitalize commercial corridors in six neighborhoods across the five boroughs through the Neighborhood 360° initiative. The funding addresses local needs identified through SBS' collaborative work with CBOs on the completion of Commercial District Needs Assessments (CDNAs) in East New York, Downtown Staten Island, Jerome Avenue in the Bronx, Downtown Flushing, Inwood and East Harlem. In Fiscal 2020, SBS awarded two CBOs nearly \$1.5 million over three years to revitalize commercial corridors in Downtown Far Rockaway. Moving forward, SBS will continue to partner with communities to conduct CDNAs and leverage them as a comprehensive planning tool to help identify needs and opportunities for local neighborhood revitalization.

SBS continued to build the City's Business Improvement District (BID) program by assisting local organizations and merchants associations interested in creating a BID with the planning, outreach and legislative phases of BID formation. This included oversight of the legislative approval of one new boundary expansion of an existing BID, Downtown Flushing in Queens and the start-up of one new BID, Throggs Neck in the Bronx, which began services in Fiscal 2020. SBS also continued to offer technical assistance, capacity building workshops and webinars, best practice sharing, board of director's support and contract administration and oversight to the City's 76 existing BIDs, the largest network of its kind in the country. SBS also continues to work with the Department of Finance to carry out the BID assessment billing process to over 44,000 tax lots located within BIDs, amounting to over \$139 million in BID assessment funds this year.

SBS awarded \$345,000 to non-profit partners to provide a broad array of capacity building and organizational development programs for Community-Based Development Organizations (CBDOs) across the City, in order to strengthen these City partners over the long-term. This past year, SBS offered the nine-month-long Neighborhood Leadership Program with the Coro New York Leadership Center to 20 CBDO professionals, non-profit legal assistance, non-profit governance and financial management workshops, 1-on-1 coaching to executive directors, media and video training and community engagement.

SBS also completed the fourth year of its Neighborhood 360° Fellows program, whereby ten fellows who are temporary SBS employees are embedded in community organizations to help complete local commercial revitalization projects, build stronger connections to SBS and the City and continue to build a pipeline of new talent in the community development field. SBS also continued its storefront improvement program across the City, offering technical assistance to CBDOs looking to develop a local storefront improvement program, while directly assisting small businesses and property owners in two target neighborhoods, Downtown Jamaica and East Tremont, with pursuing physical storefront improvements via reimbursement grants.

The Avenue NYC Program, funded via Federal Community Development Block Grants (CDBG), provided more than \$1.3 million in grant awards to CBDOs to boost underserved neighborhoods through community development projects. The awards were used to expand the capacity of CBDOs—including BIDs, local development corporations, merchants associations and other organizations operating in low- to moderate-income neighborhoods—to execute impactful commercial revitalization projects. SBS has recently shifted its focus from project-based grants to larger grants for multi-year program commitments in an aim to greatly enhance the capacity of selected CBDOs to understand local neighborhood needs and deliver more impactful community development projects.

In light of the disruption to public life and commercial activity due to COVID-19, SBS worked with CBDOs and BIDs to think innovatively and prioritize COVID-19 response and recovery commercial revitalization activities. Such activities include providing technical assistance for businesses applying to emergency government COVID relief programs, helping businesses get online, reconfiguring public space to enhance business recovery and coordinating Open Streets and Open Streets: Restaurants programs, among many others. SBS enhanced its capacity building programming to support CBDOs and BIDs in addressing COVID recovery, with a focus on sharing best practice and case studies through weekly convenings, webinars, roundtables and communications.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ City block faces receiving supplemental sanitation services through BIDs	3,600	4,044	4,065	4,108	4,325	3,800	3,800	Up	Up
★ Average acceptably clean BID sidewalk ratings (%)	96.8%	97.8%	98.4%	NA	98.2%	97.0%	97.0%	NA	Up
Value of AvenueNYC local development corporations funding (\$000,000)	\$1.30	\$1.30	\$1.45	\$1.71	\$1.30	*	*	Up	*
★ Critical Indicator	"NA" Not Available		↑↓ Directional Target	* None					

SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.

Goal 4a

Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

After achieving Mayor de Blasio's ambitious goal of certifying 9,000 M/WBEs during Fiscal 2019, the Minority and Women-owned Business Enterprises Program certified and recertified a total of 2,436 M/WBEs during Fiscal 2020, increasing the number of certified M/WBEs in the program to 10,034 by the end of the fiscal year. This represents an 11 percent increase over the 9,063 firms certified one year earlier. The M/WBE recertification rate was over 62 percent in Fiscal 2020, exceeding the annual target of 60 percent.

During Fiscal 2020, the Governor signed legislation that increased the City's small purchase authority to \$500,000 for all procurement categories, including construction. SBS is working to ensure that certified firms can compete for and perform on contracts that will be issued using the revised M/WBE non-competitive method, by working to improve the quality of data in the online directory of certified firms and publicizing the availability of contract financing and bonding assistance. The number of M/WBEs that were awarded City contracts increased by 1 percent, to 1,539, compared to the prior year. Additionally, the number of M/WBEs that were awarded City contracts after receiving direct assistance from SBS rose 3 percent to 1056, compared to the previous year.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Total Minority and Women-owned Business Enterprises certified	4,516	5,122	6,829	9,063	10,034	9,000	9,000	Up	Up
★ Minority and Women-owned Business Enterprises awarded City contracts	1,011	1,131	1,396	1,528	1,539	1,223	1,223	Up	Up
★ M/WBEs awarded contracts after receiving procurement and capacity building assistance	723	824	976	1,022	1,056	891	891	Up	Up
★ Annual M/WBE recertification rate	53.4%	61.8%	79.6%	101.0%	62.6%	60.0%	60.0%	Up	Up
Newly certified and recertified businesses in M/WBE Program	1,030	1,675	2,770	3,281	2,436	*	*	Up	Up
★ Critical Indicator	"NA" Not Available	↕↔ Directional Target				* None			

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Customer Experience									
CORE customer experience rating (0-100)	98	96	93	NA	97	*	*	NA	Up
Letters responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Neutral	Up
E-mails responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Neutral	Up
Completed customer requests for interpretation	7,327	6,652	7,259	8,251	4,133	*	*	Down	*
★ Critical Indicator	"NA" Not Available	↕↔ Directional Target				* None			

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	
Expenditures (\$000,000) ³	\$282.5	\$260.0	\$267.2	\$244.5	\$423.7	\$271.5	\$180.3	Up
Revenues (\$000,000)	\$54.9	\$0.4	\$0.4	\$30.4	\$0.2	\$0.2	\$13.1	Down
Personnel	302	325	304	307	309	373	345	Neutral
Overtime paid (\$000)	\$30	\$65	\$57	\$53	\$75	\$65	\$65	Up
Human services contract budget (\$000,000)	\$31.9	\$29.8	\$32.9	\$31.9	\$43.8	\$43.0	\$21.2	Up

¹Actual financial amounts for the current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at nyc.gov/mmr for details. ²Authorized Budget Level ³Expenditures include all funds "NA" - Not Available * None

SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals.

Unit of Appropriation	Expenditures FY19 ¹ (\$000,000)	Modified Budget FY20 ² (\$000,000)	Applicable MMR Goals ³
Personal Services - Total	\$23.9	\$27.8	
001 - Department of Business	\$16.2	\$16.8	All
004 - Contract Compliance and Bus. Opportunity	\$3.0	\$3.6	1a, 1b, 2a, 4a
010 - Workforce Investment Act	\$4.7	\$7.4	1a, 4a
Other Than Personal Services - Total	\$220.6	\$396.0	
002 - Department of Business	\$67.5	\$76.6	All
005 - Contract Compliance and Bus. Opportunity	\$4.7	\$6.1	1a, 1b, 2a, 4a
006 - Economic Development Corporation	\$57.4	\$154.7	Refer to table in EDC chapter
011 - Workforce Investment Act	\$53.3	\$120.5	1a, 4a
012 - Trust for Gov.'s Island and NYC & Co.	\$37.6	\$38.0	1b
Agency Total	\$244.5	\$423.7	

¹Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Includes all funds. ²City of New York Adopted Budget for Fiscal 2020, as of June 2020. Includes all funds. ³Refer to agency goals listed at front of chapter. "NA" Not Available *None

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Gregg Bishop served as Commissioner for the reporting period through April 2020. Jonnel Doris was appointed Commissioner in May 2020.
- Due to a software coding error that has since been corrected, some cleanliness rating data between December 2018 and June 2019 was found to be flawed. While only a portion of ratings were affected, citywide cleanliness scores from the Mayor's Office of Operations Scorecard program cannot be re-calculated at the level of confidence required to be included in the Mayor's Management Report. This impacts the Fiscal 2019 value for 'Average acceptably clean BID sidewalk ratings (%)'.
- The Fiscal 2020 data for 'Minority and Women-owned Business Enterprises awarded City contracts' and 'MWBEs awarded contracts after receiving procurement and capacity building assistance' is based on preliminary data.

ADDITIONAL RESOURCES

For more information on the agency, please visit: www.nyc.gov/sbs.