

DEMOCRAT **BRIAN**  
**BENJAMIN**  
NEW YORK CITY COMPTROLLER



## **STANDING WITH SMALL BUSINESS**

### **SMALL BUSINESS**

*Brian Benjamin knows what it takes to run a small business – after all, he dedicated years of his life to an M/WBE that built sustainable, affordable housing in Harlem. Brian’s experience in financial management made the company a success, but there were many challenges that were almost insurmountable, and he fought to level the playing field when he got to the State Senate.*

*If he is elected New York City Comptroller, Brian will use all the powers of the office to ensure that every small business in New York is given a fair shot at succeeding and that New York is building an economy that works for every neighborhood. This document lays out his plan to achieve those goals.*

*This document lays out his plan for Standing With Small Business, including the following measures and information:*

### **INVESTMENTS IN M/WBE FIRMS**

### **BETTER CITY CONTRACTING**

### **SUPPORTING MAIN STREET: AREA COMMUNITY PROSPERITY**

### **BRIAN’S RECORD ON SMALL BUSINESS**

## **INVESTMENTS IN M/WBE FIRMS**

Less than 5% of assets under management in the city's pensions are managed by M/WBE firms. This has a broader impact on M/WBE business across the city, because M/WBE managed firms are far more likely to invest in M/WBE businesses than non-M/WBE managed firms. When Brian built affordable housing as a part of an M/WBE, he and his colleagues would often point out to the city that when women and minorities are the ones doing the building, it is far more likely that projects would have minorities or women as engineers, lawyers, contractors, architects, property managers, laborers, and, eventually, even people in the apartments.

Minority and Women Owned Business Enterprises make up a large portion of the small businesses that are struggling most now, and the city's pensions can work to create an equitable recovery while also making solid investments by working with M/WBE firms.

Often, investment managers say this isn't possible because local businesses are too small, and with a fund as large as the NYC Pension Fund it isn't administratively feasible to make the sort of small investments that would have a real impact on local, small business. Brian believes that we must act to save our small businesses, particularly the immigrant and family owned businesses that are the backbone of so many of our neighborhoods. Doing nothing would be a disaster.

Brian believes there are two critical steps we can take to increase investment in M/WBEs:

- 1) New York City's pension fund is actually five funds, and each is a different size and has its own trustees. The office of comptroller can start by working with one of the smaller funds, for which the smaller allocations are more reasonable and look to build a program of investments of this type. For a smaller fund, these sort of investments are more feasible, and the investment managers will be able to use these safe investments at this level to establish a baseline for future investments.
- 2) As a part of the Economically Targeted Investments (ETIs) that the pension fund is required to make, Brian would create an entity for the pension funds to make investments into and direct that entity to make these investments.

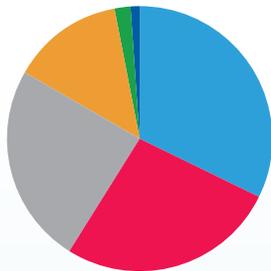
We know that the majority of the New York City workforce is women and people of color, and the majority of the workforce lives outside of "downtown" and the central business district. These are people who rely on small businesses for more than just shopping, they rely on small businesses as a part of the fabric of their community. It makes perfect sense that their investments would be put to work making a good return for them so they can retire well in those communities, but also put to work defending the quality of those neighborhoods.

While any individual small business may be seen as a risk, collectively small businesses can be relied upon to grow with investment. Small and midsize businesses have the most room for growth, and often they have leadership with the spirit and ingenuity to make growth possible! Brian is prepared to match that spirit and ingenuity with capital, and invest in New York City's M/WBEs.

# BETTER CITY CONTRACTING

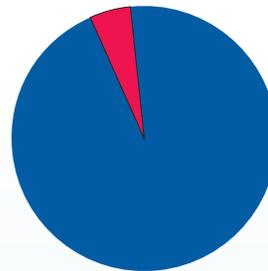
## A More Equitable System

Some of New York City's small businesses do work directly with the city, delivering services ranging from installing technical components to providing mental healthcare. Brian will make sure that New York City's vendors are not only qualified, but also that they look like the city itself. He will push to ensure that M/WBE goals are met and exceeded. In 2019, less than 5% of city contracts went to M/WBEs. In the same year, more than 29% of New Yorkers were Hispanic / Latino and more than 24% were Black, pointing to an unmistakable problem. Furthermore, this imbalance leaves Asian-Americans and other key demographics underrepresented, not to mention women, who make up half the population and are also included in M/WBE!



### Race & Ethnicity

- White - 32.3%
- Hispanic or Latino (of any race) - 26.7%
- Black or African American - 24.4%
- Asian - 13.7%
- Mixed - 1.8%
- Other races - 1.1%



### Procurement

- Non-M/WBE
- M/WBE

In 2017, Governor Cuomo signed a law which allowed the Procurement Policy Board to make purchases from M/WBEs between \$20,000 to \$150,000 without formal competition in hopes that this would increase opportunities for M/WBEs. Brian believes the city must take advantage of this program more frequently, and each of his audits will determine the level to which appropriate entities are taking advantage of this measure to the greatest extent possible.

## Paying Contracts On Time

Many small businesses are discouraged from doing business with the city because of the consistent lateness of payments on city contracts. In FY2019, a report by the comptroller's office stated that 81% of contracts that were registered with the office the comptroller only reached the office after their start date had passed. Once the comptroller has a contract, they have thirty days to process it or investigate if they suspect an issue. But before the contract hits the office, these contracts have had to pass through the Mayor's Office of Contract Services, the Office of Management and Budget, and the agency that is making the contract.



To combat this, Brian will explore a pilot program to allow small businesses and M/WBEs that act as vendors for the city to register their contracts with the comptroller's office earlier, before they reach the office for the mandated 30-day timeline. Starting with small businesses that have experienced delays at key agencies in the past, Brian's office will allow the small businesses register at the first step of the process, so the office can track these contracts through the process and identify problems as they arise, helping to identify issues that can lead to recommendations for substantive regulatory or statutory change to the contracting process.

## **SUPPORTING MAIN STREET: AREA COMMUNITY PROSPERITY**

Having been a chair of a community board and worked at a small business, Brian knows first hand how vital local businesses are. Streets like Harlem's Frederick Douglass Boulevard, with their local restaurants, corner stores, groceries, and laundries, are more than places to shop. These streets are the backbone of our neighborhoods—they keep New Yorkers working in, shopping in, and living well in, their communities. Our communities cannot succeed if the small businesses on Frederick Douglass Boulevard can't succeed.

Unfortunately, the threat of COVID-19 and the economic peril it has brought with it has been tough on streets like Frederick Douglass Boulevard. The competition that small businesses faced from large chains, as well as rising high rents, has been compounded by the necessary shutdowns, which have been easier for larger businesses to bear. To ensure we have the economically just recovery the boulevards of businesses and family homes across the city need, now more than ever, someone who really understands what it means to watch over them and ensure that their interests are not forgotten. Brian will continue to support policies that center small businesses in our economic and workforce development efforts. Further, he will use the office of comptroller to ensure that our city remains focused on the success of main street.

A 2019 bill passed by the city council requires the city to gather data about commercial leases, including vacancies, lease durations, and financial information. Brian will use this data, along with data from Small Business Services, The Mayor's Office of Minority and Women-owned Business Enterprises, the NYC Economic Development Corporation and the NYC Office of Workforce Development to create a central database his office can use to assign each community district a measure of its "Area Community Prosperity" or ACP, a nod to visionary Harlem Congressman, Adam Clayton Powell Jr.

As chair of the House Education and Labor Committee, Powell was an outspoken supporter of programs to improve Americans' living conditions, and the index named in his honor will be used to that end. Brian will apply the ACP grades to various districts including Community Districts, City Council Districts, Federal Empowerment Zones, BIDS, potential historic neighborhoods and potential rezonings, in a searchable database on the comptroller's website. He will use the ACP grades proactively to push for additional city, state, federal and even private funding for New York City's small businesses, as well as additional workforce and economic development. This ACP would better position the city to, for example, measure which areas are getting the PPP loans they need, and then to direct additional resources to the areas still in need. With the ACP grade available and at work, no more will main street go forgotten in its time of need.

## **BRIAN'S RECORD ON SMALL BUSINESS**



### **Small Business Bills by Sen Benjamin:**

- ◆ **S1130A** Relates to notification requirements for a seven day license to sell liquor at retail for consumption off the premises
- ◆ **S6373** Relates to assisting contractors to identify minority group members and women for hiring opportunities
- ◆ **S7137** Relates to requiring third party oversight over the state's contracting agency's procurement procedure
- ◆ **S8317A** Relates to providing for the remote conduct of certain practices and procedures
- ◆ **S8386** Authorizes businesses to designate work performed remotely due to the outbreak of COVID-19 to have been performed at its normal work location for state and local tax purposes
- ◆ **S8413** Authorizes municipalities to place a moratorium on tax foreclosures and tax lien sales
- ◆ **S844A** Relates to the small business regional revolving loan program
- ◆ **S845** Establishes business franchise and personal income tax credits for a portion of the consideration paid under a contract with a minority or women-owned business
- ◆ **S853** Provides zero and low interest loans or loan interest rate reduction for energy improvement projects to stimulate the growth and development of small businesses
- ◆ **S8706** Relates to providing for the remote conduct of certain practices and procedures relating to board meetings
- ◆ **S9022** Relates to establishing a temporary state assistance fund to provide legal counsel in certain bankruptcy proceedings and providing for the administration thereof
- ◆ **S9110** Relates to providing for the remote conduct of certain practices and procedures relating to board meetings