

Congress of the United States

House of Representatives

Washington, DC 20515

NYDIA M. VELAZQUEZ

7TH DISTRICT, NEW YORK

June 12, 2020

The Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

I am writing regarding the economic impact of recent civil unrest in New York City and the ensuing damage to small businesses. I request your assistance in helping these small businesses and property owners in the affected areas access the Small Business Administration's (SBA) Disaster Loan Program.

As you are aware, protests have emerged across New York City as a result of the killing of George Floyd, an unarmed black man in Minneapolis who died after an encounter with police. The vast majority of these protests are peaceful outlets for Americans to exercise their First Amendment rights against systemic racism and police brutality. I have joined several of these demonstrations, myself.

However, as you also know, sadly, there have been some instances of property damage with looters taking advantage of the situation to loot stores. Through no fault of their own, many small firms, who were already disproportionately affected by the economic disaster caused by the COVID-19 pandemic, are now also the victims of these attacks on their storefronts, resulting in broken windows, stolen merchandise, and graffiti tags. In addition, recent curfews carry with them the economic consequence of forcing businesses that are open later hours to close. Without disaster loans, many of these small businesses will face even greater challenges recovering given they are also navigating the COVID-19 pandemic and concomitant economic crisis.

Section 3(k)(1) of the Small Business Act defines a "disaster" as a "sudden event, which causes severe economic damage including but not limited to... riots, [and] civil disorders." The ongoing civil unrest in New York City meets this statutory definition. Furthermore, Section 7(b)(2)(E) of the Small Business Act permits a Governor of a state in which a disaster occurred to certify to the SBA that small business concerns have suffered economic injury as a result of a disaster and that they are in need of financial assistance that is not available on reasonable terms and conditions. In the absence of a disaster or emergency declaration by the President of the United States, the Secretary of Agriculture, or the Administrator of the SBA, the Governor certification in Section 7(b)(2)(E) may be the only option for delivering federal assistance to local small businesses.

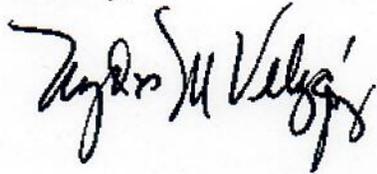
Maryland Governor Larry Hogan took similar action in April 2015 in response to civil unrest in Baltimore caused by the killing of Freddie Gray. In response to his letter (and after FEMA denied to offer disaster aid), SBA made disaster loans available for qualified applicants in the City of

Baltimore and the adjacent counties of Baltimore and Anne Arundel.¹ As a result, small businesses were able to access loans that helped them stay in business, and their prospects of future growth were improved. Accordingly, I urge you submit such certification for New York City and work with SBA to secure a local disaster declaration so that small businesses impacted by the unrest can access SBA's Disaster Loan Program. This will enable our City's small firms to obtain the affordable capital they need to restore their inventories, repair and secure their storefronts, re-open for business when it is safe to do so and continue providing jobs in their communities.

Furthermore, we realize that many businesses impacted by the civil unrest may already be struggling with debt incurred to survive the pandemic. To that end, we will be urging SBA to reduce the burden on businesses seeking EIDL for stay-at-home orders and vandalism by reducing interest rates and providing significant deferment.

I applaud your strong record of support for New York's small businesses, and I thank you in advance for your consideration of this urgent matter.

Sincerely,



Nydia M. Velázquez
Chairwoman
House Committee on Small Business

¹ U.S. Small Bus. Admin., Disaster Press Releases, MD 14306 - SBA Offers Disaster Assistance to Residents of the City of Baltimore Affected by Civil Disorder, (May 11, 2015)
<https://www.sba.gov/offices/disaster/dfoce/resources/1478412>.