

January 6, 2021

Commissioner Jonnel Doris
New York City Department of Small Business Services
1 Liberty Plaza, 11th floor
New York, NY 10006

Dear Commissioner Doris:

I am writing to you express my concerns over the exclusion of businesses in Manhattan's Chinatown from your agency's Low-to-Moderate Income (LMI) Storefront Loan Program, which is intended for small businesses in LMI neighborhoods. As you know, Chinatown is one of New York's City culturally iconic working-class immigrant neighborhoods and would benefit significantly from additional investment. For many years, small enterprises have served as community anchors, but the devastating impacts generated by the public health emergency has seriously eroded the ability of shop owners to keep their businesses afloat.

As you know, Chinatown is a resilient neighborhood: its storefronts have survived the aftermaths of September 11th and Hurricane Sandy. Now, our community's businesses grapple with the adverse impacts generated by the current emergency. Despite Congress' attempts to provide appropriate aid, President Donald Trump underestimated and mismanaged our domestic response to COVID-19. Instead, the President's national "response" was led by xenophobia and misleading reassurances. Xenophobia, alongside low business traffic and reduced tourism, has resulted in significant losses in revenue. The impact COVID-19 has had on our community cannot be stated enough. The overwhelming majority of our community's businesses are mom-and-pop shops employing local workers. The survival of these businesses is instrumental to preserving the community's economic ecosystem. The small businesses of our neighborhood are a classic example of what your agency should be striving to preserve. I applaud the New York City Department of Small Business Services (SBS) on its hard work to get money to struggling shop owners—a herculean task—given the economic uncertainty created by the coronavirus.

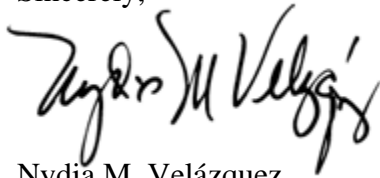
Yet ironically, the entire Chinatown business district west of Bowery was excluded from the SBS' LMI neighborhoods assistance program. It is my understanding that this exclusion took place solely because these streets share a zip code with Tribeca and Soho, two of the City's most affluent neighborhoods. The area in question includes Chinatown's gateway to Canal Street. It contains the streets most visited by tourists, houses various Chinatown cultural activities, and parades. To arbitrarily use a business' zip code as the primary qualifier for assistance programs shows lack of community awareness and cultural insensitivity by SBS.

Given the precarious state of many of Chinatown's businesses, I urge your agency to take immediate actions to help the businesses left out of the assistance programs by securing them access to alternative sources of funding. In addition, for all future SBS LMI neighborhoods programs, I recommend your agency to consider additional eligibility criteria in forthcoming grant selections.

In my view, the use of Qualified Census Tracts (QCTs), developed by the United States Department of Housing and Urban Development (HUD), would be the most effective method to ensure that funds are allocated to the businesses in the communities that need it most.¹ In addition, the SBS should consider accepting applications from businesses that serve or that are located adjacent to a QCT to ensure that all businesses that serve our community are given the ability to receive full and fair consideration.

I am thankful for all the work SBS has done for our community, and I look forward to working with you as we fight for our city's small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Nydia M. Velázquez". The signature is fluid and cursive, with the first name being the most prominent.

Nydia M. Velázquez
Member of Congress

¹ See 26 U.S.C. 42(d)(5)(B)(ii)(I)