

Department of Small Business Services
Neighborhood 360 Grant Program
Notice of Public Hearing and Opportunity to Comment on Proposed Rule

What are we proposing?

Pursuant to Section 1301 of the New York City Charter (“the Charter”), the New York City Department of Small Business Services (“DSBS”) is proposing to create a new program to provide grants to nonprofit organizations who will then provide commercial revitalization services and other help to targeted commercial areas.

When and where is the hearing? DSBS will hold a public hearing on the proposed rule. The public hearing will take place 10:00 A.M. – 1:00 P.M. on July 15, 2016. The hearing will be in the 4th Floor hearing room at 110 William Street.

How do I comment on the proposed rules? Anyone can comment on the proposed rule by:

- **Website.** You can submit comments to the DSBS through the NYC Rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email written comments to nycrules@sbs.nyc.gov.
- **Mail.** You can mail written comments to Zen Baraki, Department of Small Business Services, 110 William Street, 7th Floor, New York, NY 10038.
- **Fax.** You can fax written comments to DSBS at 212-618-8865.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing can sign up in the hearing room before the hearing begins on July 15, 2016.

Is there a deadline to submit written comments? The deadline for submitting written comments is July 15, 2016.

Do you need assistance to participate in the hearing? You must contact DSBS’s Office of Legal Affairs if you need a reasonable accommodation because of a disability at the hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at 212-513-6428. You must tell us by July 7, 2016.

Can I review the comments made on the proposed rules? You can review comments submitted online by visiting <http://rules.cityofnewyork.us/>. A few days after the hearing, copies of all comments submitted online, copies of all written comments, and a summary of oral comments concerning the proposed rule will be available to the public at 110 William Street, 7th Floor, New York, NY 10038.

What authorizes DSBS to make this rule? Sections 1301 and 1043(a) of the New York City Charter authorize DSBS to make this proposed rule. This proposed rule was not included in DSBS's regulatory agenda for this Fiscal Year because it was not evident that such rules would be necessary at the time.

Where can I find DSBS's rules? DSBS's rules are in Title 66 of the Rules of the City of New York.

What rules govern the rulemaking process? DSBS must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the City Charter.

Statement of Basis and Purpose

The Department of Small Business Services ("DSBS") supports and administers programs designed to benefit neighborhood commercial streets, industrial areas and other economic centers. Since the late 1970's, DSBS has administered commercial revitalization grants for nonprofit organizations to carry out neighborhood revitalization and community economic development, planning and capacity building activities and services, such as planning, administration, economic development, public services, non-profit organization capacity building, and public facility improvements.

DSBS is proposing a rule to establish a new program - the Neighborhood 360 Grant Program - to support the economic vitality of commercial districts across New York City by directly addressing locally identified community development needs. The Neighborhood 360 program will support the Mayor's Housing Plan, which calls for a denser city with a better plan for growth through investments in both infrastructure and services that will make neighborhoods more livable. Specifically, the Neighborhood 360 program would support the Mayor's Housing Plan by working directly with local stakeholders to assess commercial district needs and providing necessary funding to nonprofit organizations to develop and deliver services that will protect a neighborhood's small business character while improving the collective commercial climate and quality of life to better serve a growing community.

Neighborhood 360 grants will fund commercial revitalization projects located in geographic areas identified by DSBS and could include: neighborhood beautification projects, supplemental sanitation and public safety services, public space activation/maintenance/management, branding/marketing campaigns, production and coordination of local events, business improvement district planning, merchant organizing, retail recruitment strategy development, minor physical improvements to the public realm, neighborhood planning, organizational development, and general program administration.

"Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Title 66 of the Rules of the City of New York is amended by adding a new chapter 14 to read as follows:

CHAPTER 14 NEIGHBORHOOD 360 GRANT PROGRAM

§ 14-01: Purpose.

The objective of the Neighborhood 360 Grant program is to support the responsible growth and economic vitality of New York City commercial districts and small businesses so they can better serve the needs of a growing base of local residents, workers, and visitors. The Neighborhood 360 Grant Program will provide grant funding to eligible not-for-profit corporations working to plan, develop, and implement a variety of commercial revitalization activities that directly address locally identified community development needs in designated neighborhoods throughout New York City.

§ 14-02: Definitions.

As used in this chapter, the following terms have the following meanings:

Applicant. The term "Applicant" means any duly incorporated not-for-profit corporation that operates in New York City and that is applying individually or jointly for grants on behalf of one or more commercial districts within New York City that are located in a Designated Service Area.

Application. "Application" means a written request in a form satisfactory to DSBS, with any supporting documents, made by an Applicant to DSBS to determine the eligibility of Applicants for Neighborhood 360 Grants.

Application Review Committee. "Application Review Committee" means a committee comprised of at least three persons selected by DSBS.

Business Improvement District. "Business Improvement District" means an area of New York City in which a business improvement district has been established and is administered by a district management association pursuant to chapter 4 of title 25 of the New York City Administrative Code as required by law.

City. "City" means the City of New York.

Commercial Business. "Commercial Business" means a storefront business predominantly involved in the sale of goods and/or services directly to the public.

Commercial District Needs Assessment. "Commercial District Needs Assessment" means a customized analysis conducted by a not-for-profit corporation in coordination with DSBS of a neighborhood's demographics, small business and retail conditions, Commercial Business activity, built environment, community involvement, and strengths, challenges, and opportunities.

Commercial Revitalization Area(s). "Commercial Revitalization Area(s)", mean(s) the designated geographic location in New York City described as the target area(s) in any

Commercial Revitalization Contract(s) with DSBS and amendment(s) thereto, including Commercial Revitalization Contract(s) no longer in effect.

Commercial Revitalization Contract(s). "Commercial Revitalization Contract(s)" mean(s) any grant(s) or contract(s) with DSBS for the provision of Commercial Revitalization Activities.

Commercial Revitalization Activities. "Commercial Revitalization Activities" are services, programs, and technical assistance that include, but need not be limited to, neighborhood beautification projects, supplemental sanitation and public safety services, public space activation/maintenance/management, branding/marketing campaigns, production and coordination of local events, business improvement district planning, merchant organizing, retail recruitment strategy development, minor physical improvements to the public realm, neighborhood planning, organizational development, and general program administration.

Commissioner. "Commissioner" means the commissioner of Small Business Services or his or her designee or successor in function.

DSBS. "DSBS" means the Department of Small Business Services or its successor in function.

Designated Service Area. "Designated Service Area" means an area of New York City that is eligible for Neighborhood 360 Grant funding. A Designated Service Area must be located in one or more of the following areas: (1) a Business Improvement District or a Special Assessment District; (2) a Commercial Revitalization Area; (3) an area undergoing a Rezoning that will result in a change in allowable commercial or industrial space; or (4) an area where a Commercial District Needs Assessment or a comparable comprehensive neighborhood study or plan has been completed and reviewed by DSBS.

District Management Association. "District Management Association" means an association established pursuant to §25-414 of the New York City Administrative Code.

Fiscal year. "Fiscal Year" means the time starting July 1st and ending June 30th of the next year.

Neighborhood 360 Program. "Neighborhood 360 Program" means a program administered by DSBS in which not-for-profit corporations enter into Commercial Revitalization Contracts with DSBS to develop and implement Commercial Revitalization Activities that improve and enhance Designated Service Areas and the Commercial Businesses that are located in these Designated Service Areas. The objective of the Neighborhood 360 Program is to support the economic vitality of commercial districts across New York City by directly addressing locally identified, community development needs through the planning, development, and implementation of a variety of Commercial Revitalization Activities including, but not limited to neighborhood beautification projects, supplemental sanitation and public safety services, public space activation/maintenance/management, branding/marketing campaigns, production and coordination of local events, business improvement district planning, merchant organizing, retail recruitment strategy development, minor physical improvements to the public realm, neighborhood planning studies, organizational development, and general program

administration.

Grant. "Grant" means a grant from the Neighborhood 360 Program to a not-for-profit corporation for the costs of developing and implementing Commercial Revitalization Activities in a Designated Service Area.

Rezoning. "Rezoning" means changing the zoning designation(s) for an area on the zoning map or zoning text. A zoning map amendment is subject to the uniform land use review process, set forth in section 197-c of the New York City Charter.

Special Assessment District. "Special Assessment District" means the Jamaica Center Mall special assessment district in the borough of Queens established pursuant to Chapter 665 of the Laws of New York of 1978, as amended by Chapter 466 of the Laws of New York of 1984; or the Fulton Mall special assessment district in the borough of Brooklyn established pursuant to Chapter 911 of the Laws of New York of 1976, as amended by Chapter 17 of the Laws of New York of 1981; or the 165th Street Mall special assessment district in the borough of Queens established pursuant to Chapter 910 of the Laws of New York of 1976.

§ 14-03: General Eligibility Requirements.

Applicants must meet the following eligibility criteria:

(a) Eligible Geographic Areas.

(1) Proposed projects must be primarily located within a Designated Service Area identified by DSBS in the Application.

(b) Eligible Recipients.

To be eligible to receive grants, an Applicant must at a minimum comply with the following criteria:

(1) Applicant must demonstrate a capability to provide Commercial Revitalization activities to a Designated Service Area and advance the goals of the Neighborhood 360 program;

(2) Applicant must be incorporated as a not-for-profit corporation and operate, or have the authority to operate, in New York , in accordance with applicable law;

(3) Applicant is in compliance with all applicable annual city, state and federal filing requirements that are relevant to the Applicant's type of organization, including New York State Charities Bureau filings; and

(4) Applicant does not owe any unpaid taxes to the City or State, is not engaged in any litigation against the City, and, along with any officers, directors or members, has demonstrated the requisite business integrity to receive public tax dollars.

(c) Eligible Activities.

All eligible activities must be Commercial Revitalization Activities that generally address the Neighborhood 360 Program needs of a Designated Service Area. Eligible Commercial Revitalization Activities include, but need not be limited to, the following:

- (1) Neighborhood beautification projects (e.g. landscaping, plantings, public art)
- (2) Supplemental sanitation and public safety services (e.g. sidewalk cleaning, garbage bagging, security camera installation);
- (3) Public space activation, maintenance and management (e.g. public plazas/parks/markets);
- (4) Local branding and marketing campaigns (e.g. shop local campaigns, banners);
- (5) Production and coordination of local events (e.g. street fairs, festivals, performances, tours);
- (6) Planning for BID formation or BID boundary expansion;
- (7) Merchant organizing;
- (8) Retail recruitment and retention strategy development;
- (9) Minor physical improvements located in or on publicly owned streets, sidewalks, pathways, right of ways, parks, publicly accessible open spaces or any public facility. (e.g. outdoor/street furniture and amenities, lighting, art installations)
- (10) Neighborhood planning studies,
- (11) Tracking business and neighborhood conditions;
- (12) Organizational development (e.g. governance support, strategic planning, performance measurement); or
- (13) General program administration (e.g. staffing).

(d) Applicants must follow any additional eligibility requirements outlined in the Application which will be made available online at www.nyc.gov/sbs or by directly contacting DSBS.

§ 14-04: Application Requirements and Selection Criteria.

All Applicants will be evaluated and funds will be awarded each Fiscal Year by an Application Review Committee . The Application Review Committee will use the following criteria to evaluate Neighborhood 360 Grant applications:

a. Eligibility

Eligibility shall be determined by § 14-03 of this chapter (General Eligibility Requirements).

b. Need

The degree to which the Applicant's proposed Commercial Revitalization Activities will address the needs of a Designated Service Area, to be determined by analyzing criteria demonstrated by the Applicant including, but not limited to:

- (1) Indications of inhibited commercial activity and economic inequality;
- (2) Deteriorating physical conditions of streetscapes;
- (3) Inadequate public facilities;
- (4) Rapid changes to the commercial character and uses as a result of new development and/or land use actions; or
- (5) Other needs identified by means of a Commercial District Needs Assessment or a comparable comprehensive neighborhood study or plan.

c. Local Support and Capability as Demonstrated by Applicant

- (1) Organizational experience and financial resources to meet contractual obligations, efficiently and effectively manage high-quality initiatives, and sustain Commercial Revitalization Activities during and beyond the term of the Grant;
- (2) Completion of a Commercial District Needs Assessment or a comparable comprehensive neighborhood study or plan;
- (3) Successful implementation of a past Commercial Revitalization contract with DSBS;
- (4) Commitment of merchants, property owners, and other local stakeholders to supporting and participating in the Neighborhood 360 program and the implementation of Commercial Revitalization Activities in a Designated Service Area;
- (5) Support of local community groups in a Designated Service Area; or
- (6) Evidence of additional financial support for the Neighborhood 360 Program and Commercial Revitalization Activities from other sources.

d. Applicants must follow any additional, detailed Application requirements outlined in the Application which will be made available online at www.nyc.gov/sbs or by directly contacting DSBS.

§ 14-05: Program and Contract Compliance.

DSBS shall prepare a grant agreement to be executed by the Applicant and DSBS which shall stipulate terms of compliance and participation in the Neighborhood 360 Program and provide at a minimum:

- a. Relevant terms and conditions, including applicable insurance requirements;
- b. A Scope of Services;
- c. A Budget for the eligible and awarded services;
- d. A Map of the Designated Service Area;
- e. Any additional program requirements established by DSBS.

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Neighborhood 360 Grant Program

REFERENCE NUMBER: SBS-6

RULEMAKING AGENCY: Department of Small Business Services

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro
Mayor's Office of Operations

May 26, 2016
Date

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Neighborhood 360 Grant Program

REFERENCE NUMBER: 2016 RG 039

RULEMAKING AGENCY: Department of Small Business Services

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Acting Corporation Counsel

Date: May 26, 2016