Commercial Corridor Challenge:
Building small business resilience during the COVID-19 crisis

Webinar January 27, 2021
Webinar Agenda

Welcome
Valerie White, Executive Director, LISC NYC

Introduction & Overview
Eva Neubauer Alligood, Deputy Director, LISC NYC

Commercial Corridor Challenge (CCC) Partnership
Colleen Galvin, Senior Vice President, Community Investing & Development, Citi
Kethia Joseph, Executive Director, Neighborhood Planning, NYC Department of Small Business Services

Highlights of CCC 2.0
Ibrahima Souare, Senior Community Development Officer, LISC NYC
Daniela Beasley, Manager of Small Business Support, Mosholu Preservation Corporation
Shrima Pandey, Small Business Program Manager, Chhaya Community Development Corporation

Moderated Q & A
Ibrahima Souare, Senior Community Development Officer, LISC NYC

Key Takeaways & Closing
Eva Neubauer Alligood, Deputy Director, LISC NYC
Welcome!

Our Mission
The Local Initiatives Support Corporation (LISC) is a national nonprofit that equips underinvested communities with the capital, strategy, and know-how to become places where low- and moderate-income Americans can thrive. LISC NYC supports local partners whose services and programs aim to create a more equitable, inclusive, and sustainable New York City.

LISC NYC believes that the time has come to forge a future for New York City that eradicates the racial wealth gap for good, protects quality affordable housing, and builds pathways of meaningful economic opportunity for all.

Our Three Pillars
Since April 2020, LISC NYC’s investment strategy has been guided by three pillars:

- Radical Healing
- Inclusive Economic Transformation
- Sustainable Wealth Generation
Why support community-based organizations (CBOs) to build small business resilience?

CBOs operate at the intersection of government, small business, and residents and are uniquely positioned to:

- Convene and engage corridor stakeholders across sectors
- Identify common goals grounded in the needs of the population served
- Serve as trusted mediators and allies

CBOs are able to best support small business when they are:

- Agile & innovative in pursuing corridor revitalization efforts
- Closely connected to merchants and residents
- Able to bridge cultural, linguistic, and trust gaps between government and small businesses
Qualitative evaluation of program

Consultant team KPS Strategies interviewed merchants in 4 corridors to gather the following:
- Merchant personal history and differentiators
- Prior relationship with corridor CBO, if any
- Sources of support during pandemic, if any
- Perceived impacts of the targeted intervention

Consultants interviewed CBO leaders in each corridor to glean information regarding:
- Intervention strategies
- Experience working with the small business community
- Impacts of pandemic and summertime street protests

Consultants also interviewed partners at SBS and Citi to gain a deeper understanding of the elements of the public-private partnership at the core of the Commercial Corridor Challenge.

Berqui Santana (right), El Viejo Jobo Seafood Restaurant, and Ubaldo Santos (left), EZVision Brokerage, & President of the BJTBronx Commercial District Merchant Association discuss with Siddhartha Sanchez (center), consultant, the significance of PPE improvements funded through Commercial Corridor Challenge.
In 2015, at the request of SBS and with the support of Citi, LISC NYC worked with consultant Larisa Ortiz to develop a methodological framework, the Commercial District Needs Assessment to:

• diagnose corridor needs
• collect baseline data and qualitative information about a commercial district
• identify investment strategies

The CDNA was further adapted and refined by SBS and folded into its Neighborhood 360° Program to fund CBOs to implement CDNA strategies.
Corridor Challenge Origins

In 2015, SBS selected an initial cohort of CBOs to complete CDNAs that analyzed economic activity, merchant and consumer sentiment, and streetscape conditions in targeted districts.

To date, 24 community organizations have used this tool in corridors in all five boroughs of New York City.

In March 2017, LISC NYC, Citi and SBS launched the Commercial Corridor Challenge (CCC) to help CBOs to build upon their CDNAs by planning and carrying out strategic interventions that catalyze business growth in their commercial districts.
Commercial Corridor Challenge 1.0

In the first round of CCC, three community partners participating in SBS's Neighborhood 360° program were selected to receive additional financial and technical assistance to carry out “early-action” projects that boosted the visibility, promotion and safety in targeted corridors:

• **Cypress Hills Local Development Corporation** serving Fulton Street in East New York, Brooklyn
• **Staten Island Chamber of Commerce** serving Bay Street in Stapleton, Staten Island
• **Women’s Housing and Economic Development Corporation (WHEDco)** serving Southern Boulevard in Crotona Park East, the Bronx

The projects included storefront improvements, streetscape improvements, outdoor lighting, wayfinding campaigns, and pop-up markets. They demonstrated how relatively modest investments in targeted areas can have rapid, catalytic impacts on local businesses’ vitality and sales, especially when they address customer-focused needs such as cleanliness and safety.
COMMERICAL CORRIDOR CHALLENGE

Highlights of CCC 2.0
Targeted Interventions Amid Crisis and Disruption

CCC 2.0 codified and elevated lessons learned from the first round and provided four CBOs with small grants and technical assistance in four NYC neighborhoods:

- **Chhaya CDC** in Jackson Heights, Queens
- **Community League of the Heights, Inc. (CLOTH)** in Washington Heights, Manhattan
- **Davidson Community Center** in Morris Heights, The Bronx
- **Mosholu Preservation Corporation** in Norwood, The Bronx

The COVID-19 outbreak caused hardship in commercial corridors across NYC, prompting grantees to quickly pivot their approach to address new realities on the ground:

- Many BIPOC-owned small businesses were devastated by the lockdown mandated by New York State and City; and
- Grief and outrage over racial injustice and police brutality further affected conditions in commercial districts.
Highlights of CCC 2.0 Projects and lessons learned by two Community-based Organization Partners.
Mosholu Preservation Corporation

- Non-profit constituted by Montefiore Medical Center in 1981
- Serves the Norwood community in the Bronx
- Primary mission is to advance the health and well-being of communities that Montefiore serves
- Administers the Jerome-Gun Hill BID and helps form merchant associations in surrounding communities
- Provides technical assistance and publishes newsletter for small businesses
Norwood CDNA Findings

Strengths
- Long-standing local businesses create a strong sense of identity and community
- Highly accessible transit options
- Population density supports district’s vitality

Challenges
- Perception of lack of safety, especially at night
- Lack of affordable, healthy food options
- Clusters of vacant storefronts
- Lack of parking
- Traffic congestion
Impact of COVID-19 in Norwood

- Local car services experienced a significant drop in demand at the outset of the pandemic.
- Corridor merchants suffered a dramatic loss of walk-in business due to remote work, closed workplaces, and pandemic restrictions.
- 2019 CDNA report found that many local merchants lack marketing knowledge and experience and do not have an online presence.
MPC’s response

- Created an online delivery program leveraging a local car service’s excess capacity, enabling corridor merchants to deliver goods to their customers
- Participating merchants include grocery stores, pharmacies, beauty supply stores, florists, and restaurants
- Partnered with local tenants association to promote program to thousands of local residents, including many seniors
- Recruited businesses to offer products to community residents
MPC’s Program Results

- Successfully developed online delivery platform
- Established partnership with local car service
- Secured vendor approval for local car service with corridor anchor institution
- Enrolled 10 businesses in the online delivery system
“We pivoted to a home delivery model. Our local transportation partner, Mario Sena from AGAPE, was a cab driver for 30 years. His company is the 72nd fastest growing company in New York State. They are creative and out-of-the-box thinkers.”

Jennifer Tausig
Executive Director
Mosholu Preservation Corporation
Merchant Interview

“At the height of the pandemic we lost over 75% of our drivers. Partnering with MPC on deliveries for local residents will increase our visibility and help us recover.”

Erik Arroyo
Chief Administrative Officer
Agape Transportation Management
"Now our weekend customers are also our weekday customers because everyone is at home. There is much demand for delivery under COVID, so much more than before.”

Brindice Nicasio
Mothers Deli Grocery
“Exposure is everything right now. Everyone is stuck at home. A lot of the businesses are learning – there’s not going to be a back to normal. There’s going to be a new normal. We’re going to need to adapt to the new ways.”

Omar E. Garcia
Webster Café & Diner
Chhaya Community Development Corporation (Chhaya CDC)

- Founded two decades ago to address housing and economic needs for low-income South Asian and Indo-Caribbean New Yorkers.

- Core activities include organizing and advocating for systemic changes that remove the barriers to well-being, housing stability, and economic mobility.

- Chhaya CDC’s small business program promotes and protects South Asian immigrant small businesses in Jackson Heights, Queens through language access, commercial tenant advocacy, and legal and financial resources.
Jackson Heights CDNA Findings

**Strengths**
- Established regional destination with unique concentration of specialty shops
- Long-standing businesses deeply rooted in South Asian and Latinx immigrant communities
- Cultural festivals highlight diversity

**Challenges**
- Traffic and sidewalk congestion
- Strong community groups but limited collaboration
- Outreach efforts to merchants & vendors are hampered by language barriers
Impact of COVID-19 in Jackson Heights

- Deep and immediate impact of the pandemic on the community, with nearby Elmhurst Hospital at the virus epicenter
- More businesses became vulnerable to displacement and permanent closure
- Hundreds of merchants were unable to access financing opportunities due to language and technology barriers
- Increased community need added strain to Chhaya
Chhaya CDC’s Response

- Engaged 5 local businesses and 13 community stakeholders in virtual placemaking event highlighting corridor’s cultural assets
- Created a member management database to track merchant relationships and neighborhood trends
- Facilitated merchant collaboration on lease and rent negotiations
Chhaya CDC’s Program Results

• Strengthened its ability to connect with local merchants, share new resources, and track community needs

• Doubled attendance at its virtual Chatpati Mela event, with over 3,000 attendees, compared to previous year’s in person event

• Helped 7 merchants on one block to renegotiate their commercial leases
"I grew up in the neighborhood, I live two blocks away from corridor, I speak daily to businesses, and I’m learning about their lives and their families 24/7.”

Shrima Pandey
Small Business Program Manager
Chhaya CDC

Jackson Heights, Queens
Merchant Interview

“We are very grateful to Chhaya for bringing together our block during a time of crisis. This was the first time we came together as merchants.”

Jagdish Shetty
Samudra Restaurant

Shrima Pandey of Chhaya CDC with Jagdish Shetty of Samudra Restaurant. Chhaya helped Samudra and six other commercial tenants on one block to renegotiate their leases.
Merchant Interview

"The entire block of storefronts subleases from one landlord and Chhaya convened a meeting about lease renegotiation. I loved meeting with fellow merchants – the experience of gathering together around a cause and having common ground. It made all the difference to work with a local group rather than hiring a lawyer or calling the City."

Mudassar Khan
Khan Electronics
“The online festival helped our dance school gain visibility as we shifted to virtual classes. It was great to showcase my work alongside other merchants during this difficult time for artists.”

Neela Zareen
Neela Dance Academy
Moderated Q & A
Marshalling trust and delivering assistance during times of change and crisis

Corridors with an engaged, active, and properly resourced CBO ally are better prepared to:

- identify and leverage shared interests among merchants
- overcome business disruptions, and
- weather the dramatic declines in customer demand associated with a crisis like the COVID-19 pandemic

Janifer Wilson of Sisters Uptown Bookstore with Lorial Crowder of CLOTH
Study Findings

- B2B solutions, such as those initiated by MPC and Chhaya, can advance corridor resilience and by tapping into the fundamental interdependence of small businesses
- Digital and eCommerce interventions led by skilled CBOs can bridge disruptions to a corridor’s brick and mortar ecosystem
- Corridors with local businesses that have traditionally prioritized face-to-face engagement must build their online strategy around a distinctive and personalized customer experience
- CBOs can disseminate up-to-date public health information and small business guidance, model best practices, and share those practices with corridor businesses
Study Findings

CBOs are uniquely positioned to amplify the concerns of local stakeholders, apply pressure to public sector actors when needed, and support merchants before, during, and after an economic downturn or crisis.

CBOs will require ongoing support to add capacity and augment their efforts to organize merchants, advocate for policies and financing that is beneficial to small businesses, and help corridors thrive and become more resilient.
Additional Resources

**Commercial Corridor Resource Hub**
LISC’s Commercial Corridor Resource Hub codifies lessons learned about effective ways of supporting neighborhood business districts through tested community development strategies. It provides practical tools to assist community organizations to strengthen and revitalize the streets and small businesses that anchor their neighborhoods.

**Preparing a Commercial District Diagnostic**
A guide to preparing a commercial corridor diagnostic and understanding the "DNA" of neighborhood business activities.

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