



# FOOD BUSINESS PATHWAYS

*November 2016*

## A PATHWAY TO BUSINESS OWNERSHIP FOR PUBLIC HOUSING RESIDENTS



# TABLE OF CONTENTS

Special Thanks .....	1
Executive Summary.....	2
The Challenge.....	3
Context.....	5
Food Business Pathways: A Unique Public-Private Partnership.....	6
Program Overview and Results.....	8
Key Takeaways.....	11
Conclusion.....	17

## Appendix A

Participant Demographic Profile.....	18
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## Appendix B

Founding Partners.....	19
Partner Incubators.....	20
Contributing Organizations.....	20
Steering Committee Members.....	20

## Appendix C

Program Modifications.....	21
Notes.....	23
Bibliography.....	24

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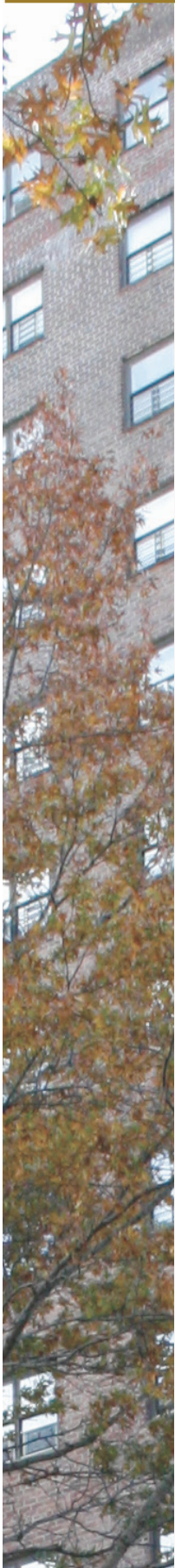
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# EXECUTIVE SUMMARY



In early 2014, New York City Mayor Bill de Blasio tasked the New York City Economic Development Corporation (EDC) with spurring small business growth by assisting low-income New Yorkers in building businesses. EDC approached the New York City Housing Authority (NYCHA), New York City's largest landlord, because of the concentration of low-income New Yorkers it serves and the existing resident business development activity of NYCHA's Office of Resident Economic Empowerment and Stability (REES). EDC's goal was to build upon the lessons learned by REES and develop a scalable plan to enable the creation of businesses owned by low-income New Yorkers.

EDC, NYCHA, and the New York City Department of Small Business Services (SBS)—with support from Citi Community Development and nonprofit partners, Hot Bread Kitchen and Start Small Think Big—developed a full-scale business accelerator called Food Business Pathways, which was launched in January 2015.

Food Business Pathways provides NYCHA residents with access to the resources they themselves identified as critical to their success—education, capital, and affordable space—based on a 2013 REES study. NYCHA residents accepted into the program undertake a 10-week business course, at the end of which they obtain required licenses and permits at no cost, substantially reducing their start-up costs. All graduates also receive business coaching as they start to build their entrepreneurial dreams, and five graduates in each cohort receive free kitchen incubator space for five months to get their business off the ground.

This program is unique because all the resources needed by residents are delivered through a single program instead of relying on several referrals from different sources. The program partners—both public and private—coordinate the delivery of their services through this one offering.

In 2015, Food Business Pathways helped three cohorts of NYCHA residents to formalize their businesses as legal entities, and the partners have refined the program with each new cohort.

Food Business Pathways is an intensive, comprehensive entrepreneurship development program. Ninety percent of the program's eighty graduates formed businesses, over the course of 2015. The resulting 72 resident-owned and operated businesses demonstrate the efficacy of the program model. This replicable, scalable model is now being applied to the childcare industry, creating a second business pathway program for NYCHA residents.

This paper intends to document the details of this program's development and learnings from the first year, so that economic development practitioners across the country might implement similar models, in food services or other industries, to empower low-income entrepreneurs in their communities.

# THE CHALLENGE

On March 20, 2014, hopeful New York City Housing Authority (NYCHA) residents<sup>1</sup> interested in starting or growing a food business filled a meeting room in the Johnson Houses Community Center in East Harlem. They came to learn about the education, space and financing resources available to help them attain their food business dreams.

This event was the outcome of a pivotal meeting convened by NYCHA's Office of Resident Economic Empowerment and Sustainability (REES),<sup>2</sup> which included the New York City Department of Small Business Services' NYC Business Solutions, Upper Manhattan Center<sup>3</sup> and Hot Bread Kitchen Incubates (HBK Incubates)<sup>4</sup>. These three entities joined forces, and agreed to intentionally coordinate the provision of services to create an accessible pathway to food business ownership for NYCHA residents.

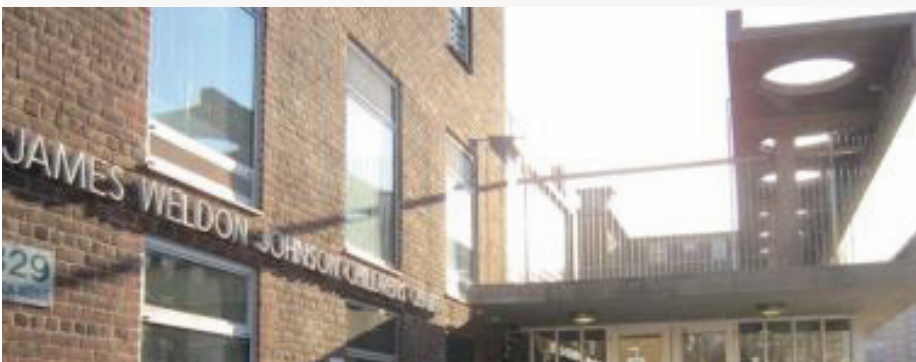
REES had conducted a 2013 survey of NYCHA entrepreneurs (NYCHApreneurs), who said that education, access to capital, and affordable space were the main obstacles they faced in pursuing their entrepreneurial desires. REES piloted the provision of business development services to NYCHA residents from August 2013 to March 2014. As a part of the pilot, REES partnered with HBK Incubates to help residents access HBK Incubates' kitchen incubator, thereby providing access to an affordable commercial kitchen space from which to operate a food service business.<sup>5</sup> While NYCHA residents were interested in that opportunity, none of them were able to access

the kitchen space. Upon further investigation, REES' Resident Business Development Team realized that residents were also missing the education and capital needed to access the resource. HBK Incubates required applicants to submit a business plan and basic financials (achieved through education) and to form a business entity (requiring capital). However, many NYCHA residents, though talented and engaged in income-generating informal business activity, did not have these items or the means to attain them.

From REES' service coordination vantage point, gaps in social services to assist NYCHA residents in achieving economic self-sufficiency are uniquely visible. There are times when REES works with its Zone Partner network (vetted local economic opportunity providers) to harness the strengths of multiple partners in one coordinated effort to remove barriers to achieving economic self-sufficiency for NYCHA residents. This was exactly such a time.

To address these gaps, the three entities modeled their approach on HBK Incubates' LIFE program,<sup>6</sup> which had been funded by Citi Community Development. Through the program, which was closed to new applicants, as it was filled to capacity, low-income entrepreneurs received pro bono legal assistance and full payment of their the start-up costs of incorporation, insurance and licensing needed to enroll in a kitchen incubator. The three entities endeavored to duplicate the LIFE program, leveraging the resources and expertise of the NYC Business

Solutions, Upper Manhattan Center to help NYCHA residents establish a legal business entity and access capital for the business formation, license and insurance fees. Additional NYC Business Solutions, Upper Manhattan Center resources were added to provide the education and technical assistance needed to



help NYCHA residents create business plans with basic financials. The residents needed all these elements to submit complete applications to HBK Incubates, in the hope of accessing the affordable commercial kitchen space.

At Johnson Houses, 25 excited residents filled the room, and the three organizations explained the pathway to entry into HBK Incubates' kitchen incubator and guided residents through the process. Residents listened intently as the presentation began and sat on the edge of their seats as pictures of people working out of HBK Incubates' kitchen incubator flashed on the screen.

But when start-up costs for a food service business—*\$1,500 to \$2,000 just for the permits needed to legally sell food in New York City*—were revealed, there was a visible shift in the facial expressions of the residents in the audience from hopeful to hopeless. In spite of the alternative and accessible financing options presented by the NYC Business Solutions, Upper Manhattan Center, the level of excitement never regained its original intensity. Still, over 90% of attendees signed up to take the next step in the process and scheduled an appointment with the NYC Business Solutions, Upper Manhattan Center to begin the HBK Incubates application process. Yet of those, only 26% responded to subsequent outreach efforts, and no one from that initial group entered the pathway at that time.

Was it possible for the three partners to help NYCHA residents overcome the obstacles of education, capital, and space that stood between them and a food service business? This question lingered in the air when the [Harlem Pie Man](#) came to a REES information session in June 2014 with a dream of launching his business. He was referred to the NYC Business Solutions, Upper Manhattan Center, who helped him pull together his application package for HBK Incubates, including assistance with the creation of a basic business plan with financials.

Fortuitously, a space opened up in HBK Incubates' LIFE program. In August he was accepted into the program as a subsidized member, receiving capital to cover start-up costs. The Harlem Pie Man started cooking in the HBK Incubates kitchen in October 2014.<sup>8</sup>



The success of the Harlem Pie Man was critical because it provided NYCHA residents with a tangible example of success that they could emulate, and it convinced the three partners that they were on the right track. NYCHA residents needed education and assistance with the creation of a business plan with basic financials, plus grants to pay for the start-up costs of incorporation, insurance and licensing to access a commercial kitchen incubator. With more planning and contributions from additional partners, including Citi Community Development, they turned what they learned working with the Harlem Pie Man into a full-scale business accelerator program, [Food Business Pathways](#).

# CONTEXT



NYCHA is the largest and oldest public housing authority in North America and New York City's largest landlord. It is home to over 400,000 New Yorkers, living in 328 developments. NYCHA also administers the nation's largest Section 8 Leased Housing Program, serving another 200,000 New Yorkers. The combined population of public housing residents and Section 8 voucher holders is nearly 600,000 New Yorkers, just 40,000 people shy of the population of the City of Boston in 2014. Based on the citywide self-employment rate, an estimated 4,000<sup>9</sup> self-employed New Yorkers reside in the NYCHA community. However, only 14% of them were known to NYCHA, signaling that there could be nearly 3,500 resident entrepreneurs operating informally.

Among NYCHA residents, food is an attractive industry. In 2013, 35% of those that attended pre-launch events of REES's Resident Business Development Unit (RBDU) were interested in food service businesses.

Focus groups demonstrated that food service was among the top three businesses of interest among opportunity-seeking residents and among the top four most frequently advertised services in NYCHA developments. Additionally, 29% of RBDU pilot participants were food entrepreneurs operating informally.

Many of these NYCHA businesses have the potential to grow and increase revenue if their owners can access the education, capital, and affordable space identified by NYCHApreneurs in the 2013 REES survey<sup>10</sup> as the keys to business success. The reaction of the attendees at the Johnson Houses meeting highlighted that start-up capital was a major obstacle to overcome. Even when presented with alternative financing options, residents were skeptical at best that they could access those options to achieve their food business goals.

The keys to success identified by NYCHApreneurs are similar to those found in the April 2013 report titled "[Launching Low-Income Entrepreneurs](#)" released by the Center for an Urban Future.<sup>11</sup>



# Food Business Pathways: A Unique Public-Private Partnership

The de Blasio Administration's focus on low-income entrepreneurship<sup>12</sup> created the right environment for streamlining and scaling the program to remove barriers to formal food business ownership for NYCHA residents.

When the [NYC Economic Development Corporation](#) (EDC)—the City's primary engine for economic development, charged with leveraging the City's assets to drive growth, create jobs, and improve quality of life<sup>13</sup>—began to execute the Mayor's directive, they consulted with [NYCHA](#) in March 2014. The two agencies agreed that food service businesses should be the focus given the following factors:

- The NYCHApreneur research conducted by REES
- The work that had been done by REES, HBK Incubates, and the NYC Business Solutions Upper Manhattan Center
- The City's focus on the food service industry as a growth sector
- Existing City resources and capabilities available to assist food service businesses

NYCHA and EDC then joined forces with the [NYC Department of Small Business Services](#) (SBS), the City agency dedicated to training New Yorkers for and connecting them to quality jobs; helping businesses to start, operate, and grow; and helping local organizations to build thriving neighborhoods. SBS also has oversight of the all NYC Business Solutions Centers, including the one in Upper Manhattan. In the second quarter of 2014, these agencies worked to determine the viability of a full-scale solution to the

problems faced by NYCHA residents seeking to start and grow food businesses (see Chart 1). These three organizations outlined a program model based on lessons learned from REES' work with NYCHApreneurs, SBS' small business expertise, and the experience gained from working with the Harlem Pie Man.

This unique collaboration among government agencies marks the first time they have come together in a coordinated effort to address the needs of low-income entrepreneurs. EDC provides project launch expertise, a macro-level strategic view, evaluation of the project in the context of the broader NYC economic agenda, and grants to cover licenses and permits. [NYCHA REES](#) provides recruitment expertise, the REES Zone Partner network<sup>14</sup> insights from the RBDU's pilot,<sup>15</sup> and best practices from economic opportunity providers across all REES Functional Areas.<sup>16</sup> REES also provides a micro-level strategic perspective as the department articulates and evaluates the needs of NYCHA residents within the context of the average resident's personal economy, and advocates for ways of meeting those needs. SBS brings expertise in providing technical assistance to small businesses, award-winning business curricula, industry-specific curriculum development, business resource networks, project management, program development expertise, and long-term funding support.

In September 2014, EDC met with Citi Community Development ([CCD](#)) to solicit CCD's input on and support for what was then called the "Low-Income Neighborhood Entrepreneur Program."

CCD often serves in a convening role, bringing partners together on complex, multi-stakeholder projects. Having a strong relationship with Hot Bread Kitchen, and a deep understanding of the needs of the program, CCD brought [Hot Bread Kitchen](#) back into the collective to serve as the lead incubator and provide industry specific experience. CCD contributed many weeks of guidance and input to the proposed program, and when the partners had developed a strong framework, CCD also provided financial support for the new initiative.<sup>17</sup>

Once the project was underway, CCD ensured that it stayed on track, and introduced [Start Small Think Big](#) to add the valuable element of pro bono legal advice, with an emphasis on business formation expertise, to

the program. CCD continues to convene the partners quarterly, to ensure the group is constantly learning from partners and participants about how the model can be improved for greater economic impact.

The collaboration of all of these public and private entities has brought to scale the initial work done by REES, HBK Incubates, and the NYC Business Solutions, Upper Manhattan Center. Food Business Pathways is a comprehensive, coordinated approach to providing the education, capital, and affordable kitchen space that are the keys to success for NYCHA food service entrepreneurs.

## Chart 1: Resident Food Business Challenges & Solutions

RESIDENT FOOD BUSINESS KEYS TO SUCCESS & SOLUTIONS			
Access To:	Challenges	Past Solution	Current Solution
<b>Education</b>	Residents need the know-how to create a compelling business plan, with financials, for incubator entry.	The NYC Business Solutions, Upper Manhattan Center provided technical assistance to residents creating basic business plans and basic business financials for the HBK Incubates application.	Provides industry knowledge from seasoned entrepreneurs, the business plan development needed for incubator entry, and business/life coaching to assist with implementation.
<b>Capital</b>	Residents need \$1,500 to \$2,000 in start-up capital to form their food service business. A legally formed business is usually required for incubator entry.	The NYC Business Solutions, Upper Manhattan Center provided access to credit repair, micro loans, and crowd-funding assistance to cover the cost of business formation, licenses, and insurance fees. Additionally, a slot opened up to allow access for one resident into the HBK Incubates LIFE program.	Provides grants to cover business formation and licensing start-up costs. Recipients of subsidized incubator space also receive up to an additional \$1,000 to cover the cost of insurance.
<b>Space</b>	Residents need access to affordable commercial cooking space to operate a food business in compliance with New York State regulations <sup>18</sup> and NYCHA's Home-Based Business policy. <sup>19</sup>	HBK Incubates provided access to subsidized commercial kitchen space in the East Harlem section of Manhattan.	Provides grants to cover commercial kitchen incubator space for approximately five months for five graduates from each class, across the city, in Brooklyn, Manhattan, the Bronx, and Queens.



## PROGRAM OVERVIEW AND RESULTS

FBP is an innovative, free business accelerator program that empowers NYCHA residents to start and grow food businesses as part of New York City's efforts to support entrepreneurs in the City's neighborhoods and communities. The program streamlines business readiness preparation and access to resources like incubators. It is built on three key innovations: (1) focusing on "incubator-readiness" by providing a pipeline of qualified NYCHA businesses for service providers; (2) strengthening the connection between NYCHA businesses and New York City's economy through streamlined links to industry-specific resources and customized curricula; and (3) bringing key stakeholders together to "evaluate what works" and systematize assistance to NYCHApreneurs.<sup>21</sup>



As created by NYCHA, SBS, EDC, Citi Community Development, HBK Incubates, and Start Small Think Big, the program aims to cultivate incubator-ready<sup>22</sup> food businesses. This is done by providing program graduates with the three keys to success for business formation and growth as expressed by the NYCHApreneur population in the 2013 survey: education, access to capital, and space.

Successful FBP applicants receive 10 weeks of business education through the Kauffman FastTrac® NewVenture program, augmented with modules specific to food businesses. Each cohort contains on average 30 participants. Of those who complete the business education component, over 83% receive legal support for entity formation, grants to pay for start-

up licenses and fees necessary to access a kitchen incubator, and access to group business coaching.

FBP Graduates then compete to be among the five businesses per cohort to also receive approximately five months of free kitchen-incubator space, at one of four partner incubators: [Hot Bread Kitchen \(Manhattan\)](#), [Brooklyn FoodWorks](#), [The Entrepreneur Space \(Queens\)](#), and [Bronx Cook Space at WHEDco](#). Grants covering Food Service Establishment Permits and insurance are also provided, along with one-on-one business/life coaching by volunteers from the [NYC Chapter of the International Coach Federation](#). This comprehensive suite of services makes FBP a uniquely holistic solution (see Chart 2).

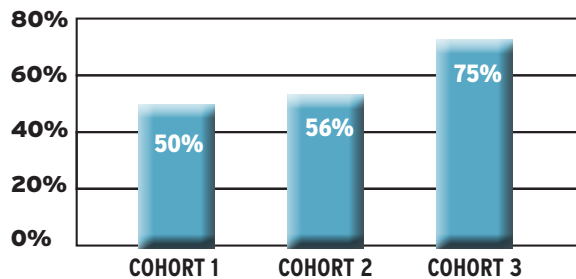
The key to program success is finding the right candidates with ambition and a proven talent for food business operations. Candidates are put through a rigorous screening process to identify those with the passion, ingenuity, and tenacity that will give them a greater probability of success in the industry.

Recruitment periods have become progressively more competitive. Not only were more applications submitted for each new class, but the quality of the applications also improved as more and more underground entrepreneurs (informal business operators) came forward in search of one of the coveted spots (see Figures 1 & 2).



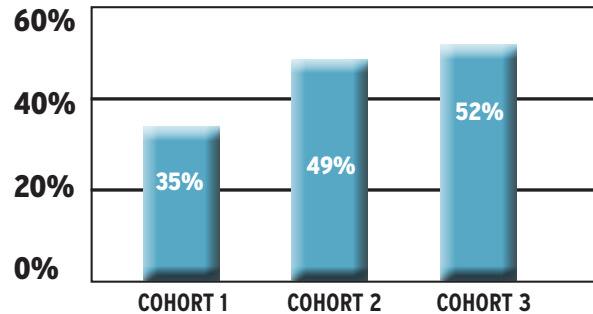
## FIGURE 1

### % OF APPLICANTS WHO ARE UNDERGROUND ENTREPRENEURS



## FIGURE 2

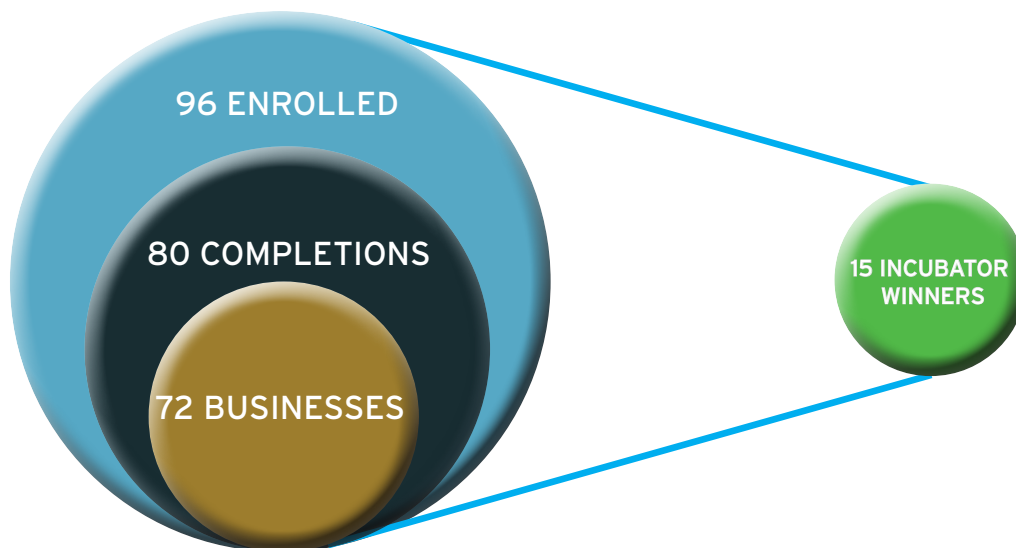
### AVERAGE APPLICANT INTERVIEW SCORES



In 2015, the inaugural program year of FBP, there were three cohorts in which a total of 96 individuals were enrolled. Out of those 96, 80 completed the FastTrac® NewVenture course, resulting in an 83% completion

rate. Seventy-two businesses were formed, and 15 graduates (five per graduating class) have been awarded free incubator space (see Figure 3).

## Figure 3: Program Performance



Recipients of free incubator space are chosen based on class participation, feedback from the class instructors, a kitchen incubator application, and submission of a business plan. The information is evaluated by the program's founding stakeholders and partnering kitchen incubators. Once selected, the recipients are placed according to preference, fit with the host incubator, travel distance to the incubator, and the incubator application package.

Nine of those receiving free incubator spaces represented the underground entrepreneur population prior to the start of the program, five represented the "go-getter" population (those with legal business entities and some economic activity), and one represented the "dreamer" population (those with no business activity and no legal entity).<sup>24</sup> As of April 2016, all incubator winners of Cohorts One and Two, and three from Cohort Three, were operating out of incubator spaces.

## Chart 2: Food Business Pathways Program Overview<sup>25</sup>

	Recruitment	Class in Session	License and Permits	Incubator Application	Coaching
Challenge addressed	<p>(1) Reaching underground entrepreneurs, who may distrust City authority and not seek out programs</p> <p>(2) Enrolling participants who would complete all elements of the demanding program and demonstrate commitment to starting or improving their businesses</p>	<p>(1) Existing technical assistance was not industry-specific and did not provide the practical skills needed to enter incubators or formalize a business</p> <p>(2) Existing technical assistance did not include information about interacting with New York City, New York State, or NYCHA</p> <p>(3) Existing programs did not reflect NYCHA residents' unique needs and experiences</p>	<p>(1) The requirements and process to formalize a business are confusing and involve navigating a complex mix of City and state agencies</p> <p>(2) The cost of state-mandated licenses and permits is prohibitive for low-income New Yorkers</p>	<p>(1) Incubator applications require business knowledge and organization that many informal businesses lack</p> <p>(2) Participants were not familiar with City's incubators</p> <p>(3) Cost of incubator entry was preventing City's incubators from serving low-income New Yorkers on a large scale</p> <p>(4) Applying individually to all City incubators was a time and resource challenge</p>	<p>(1) Many underground entrepreneurs, especially from NYCHA, lack access to mentors with established businesses and business experience. Mentors have been identified as a key part of entrepreneurial success</p> <p>(2) There is a risk that businesses will lose momentum after graduation, especially after exiting a very structured environment</p> <p>(3) While the program provided basic information, licenses, and permits, each business has individual needs that cannot be addressed in the general curriculum</p>
Program Solution	<p>(1) Outreach and recruiting strategy tailored to NYCHA residents to reach entrepreneurs operating underground</p> <p>(2) Rigorous, multi-step recruiting to encourage self-selection by the applicants</p> <p>(3) Class exclusively for NYCHA residents to demonstrate commitment and build community/mentorship among entrepreneurs</p>	<p>(1) Customized FastTrac® NewVenture curriculum incorporating modules on food business and exclusively enrolling NYCHA residents</p> <p>(2) Curriculum and class schedule incorporate tours of Hot Bread Kitchen, presentations by the Department of Consumer Affairs, and scheduled pro bono legal consultations</p>	<p>(1) Incorporate permit application instructions into program curriculum</p> <p>(2) Hold dedicated Food Protection course and exam for the NYCHA FBP class</p> <p>(3) Streamline application process to SBS Program Manager, who liaises directly with City agencies</p> <p>(4) Program funds basic licenses, permits, and incorporation fees at no costs to graduates</p>	<p>(1) Program curriculum gives graduates the tools to fill out an application and enter an incubator with input and guidance from Hot Bread Kitchen</p> <p>(2) Program involves a tour of Hot Bread Kitchen and introduction to what an incubator is</p> <p>(3) For the top 5 graduates, program removes the cost of incubator entry by paying for insurance and up to 5 months of space</p> <p>(4) Program established a "common app" process to streamline applications and to make incubator partners more comfortable with hosting these types of businesses</p>	<p>(1) Scheduled group business coaching sessions provide access to an external mentor who has information and perspective on the challenges of business formation</p> <p>(2) Additionally, attending group sessions helps to build community and connections among the program's graduates</p> <p>(3) The International Coach Federation provides ongoing support to free space winners as they transition to working out of their host incubators</p>

## KEY TAKEAWAYS

Through FBP, the impact of individual program partners on the NYCHA community increased exponentially as each partner focused on their core servicing strengths. Still, NYCHApreneurs needed assistance transitioning from the theoretical to the operational environment and accessing real market opportunities. Additionally, partners were able to learn from each other, improving operations and incorporating lessons learned into the delivery of their other services.

### Key Takeaway 1: A continuum of business services, provided within the context of a program, is a viable way of transitioning the informal business activity of public housing residents into formal businesses

Of the resident business development offerings provided through REES, the FBP accelerator program has yielded the greatest results for the community. It has attracted the most applicants and formalized the most underground resident businesses by directly providing them with the education, capital, and space needed to make their food businesses into engines of economic self-sufficiency. This success is a result of providing all the keys to success through a continuum of business services embedded within a single program.

Originally, NYCHA residents were directly connected by REES to business development economic opportunity providers through direct referrals and/or recruitment events. These providers expressed a willingness to refer NYCHApreneurs to other providers within the REES Zone Partner network. The goal was to provide NYCHApreneurs with access to a continuum of business services by encouraging and enabling referrals between the Zone Partners, also known as cross-referrals.

However, residents that were connected to services were rarely subsequently referred to another partner.

NYCHApreneurs interested in starting and growing food business were unable to make it beyond the preliminary incubator application stages due to the absence of at least one of the identified keys to business success and the lack of quality secondary and tertiary referrals between Zone Partners. This process uncovered the need for intentionally coordinated and informed referrals between partners to create a pathway for residents to achieve their business goals.

When REES, HBK Incubates, and the NYC Business Solutions, Upper Manhattan Center joined forces to attempt to implement a pathway to formally establish food businesses by engaging in intentionally coordinated and informed referrals, one resident, the Harlem Pie Man, mentioned above, formalized his business and secured access to HBK Incubates' commercial kitchen incubator. However this process was highly inefficient, requiring a significant investment of time and resources on behalf of the partner organizations, which had insufficient capacity to meet the demand of the sizeable NYCHA population. It was also challenging for residents to understand how the different service provider offerings came together to provide a pathway to their dream of having their very own food business.





This was the case for Shyritta Conley, now the CEO of [Rita's Treats](#). She was one of the 25 aspiring food business owners at the Johnson Houses meeting in March 2014. Although she signed up for follow-up appointments, she felt overwhelmed and didn't attend them. "It was too much for me," she said.

Through FBP, an overarching programmatic structure was applied to the continuum of services, and each service was provided by independent service providers operating within the area of their expertise, which created a collective impact network. In this relationship,

partners developed an intimate knowledge of each other's core strengths, operations, objectives, and constraints and established programmatic processes to govern the movement of participants between service providers. Unlike the intentionally coordinated referral network that helped the Harlem Pie Man, the continuum of services was marketed as a program instead of as independent partners coming together. As a result, the program achieved process efficiencies and the ability to scale, leading to the formation of [Rita's Treats](#) and 72 other businesses (see Figure 4).

## Figure 4: Results Growth



The FBP solution embodies many of the recommendations made in the 2013 study "[Launching Low-Income Entrepreneurs](#)" by the [Center for an Urban Future](#) (see Chart 3).

# Chart 3: Center for an Urban Future Recommendations vs. Food Business Pathways Approach

Recommendation	FBP Approach
<p><b>Expand Entrepreneurship Initiatives to Target Low-Income, Native-Born New Yorkers:</b> “It’s now time for NYCEDC and the Department of Small Business Services (SBS)—perhaps working in tandem with the New York City Housing Authority, the Center for Economic Opportunity, the Office of Financial Empowerment (OFE) and the Department of Education—to develop a series of programs designed to expand the number of low-income, native-born entrepreneurs in the city and help more of the people who do start a business grow to the next level.”<sup>26</sup></p>	<p>FBP was jointly created by 3 city agencies—EDC, NYCHA and SBS -along with several private partners: Citi Community Development, Hot Bread Kitchen, and Start Small Think Big. Additionally, many program participants were connected to financial counseling services through OFE.</p>
<p><b>Help Individuals Turn Side Hustles Into Formal Businesses:</b> “One of the most encouraging findings of our report is that loads of low-income, native-born New Yorkers operate ‘side hustles’ as a way to generate income. City economic development officials should develop a plan to work with these entrepreneurial individuals, and provide the support to help some of these side hustles grow into formal businesses. This might include everything from helping the individuals establish savings accounts to teaching them how to write a business plan and providing access to microloans.”<sup>27</sup></p>	<p>The target candidates for FBP are underground entrepreneurs, a.k.a. individuals with side hustles, or informal businesses. To verify this activity, applicants are asked to bring professional recommendations from existing customers who are not in close relationship with the applicant as evidence that they have entrepreneurial talent. These individuals are then provided with the support they need to make the transition from the informal to the formal sector.</p>
<p><b>Create Opportunities for Successful Business Owners to Mentor Start-Ups:</b> “Any effort to raise business incorporation rates in low-income communities across the city has to tackle this problem and create opportunities for existing business owners to share their knowledge and know-how with others.”<sup>28</sup></p>	<p>The FastTrac® NewVenture course was taught by John Childress, a former restaurateur, and Ada Uribe, a business analyst. Those who receive incubator space are also paired with professional coaches from the NYC Chapter of the International Coach Federation.</p>
<p><b>Establish Entrepreneurship Initiatives for NYCHA Residents:</b> “The time may be ripe to create new programs aimed at expanding the number of public housing residents in New York who turn to entrepreneurship as a pathway out of poverty.”<sup>29</sup></p>	<p>Food Business Pathways is an opportunity that is exclusively for NYCHA residents.</p>
<p><b>Reform New York State’s Occupational Licensing Laws:</b> “The state’s onerous occupational licensing laws may serve as an obstacle for some low-income entrepreneurs, many of whom simply don’t have the time or resources to complete the requirements.”<sup>30</sup></p>	<p>Program graduates receive grants to pay for their licensing fees, coordinated by SBS, and are walked through the process of formalizing their businesses by volunteer lawyers through Start Small Think Big. Additionally, New York State law limits what can be produced by a home-based business and where those products can be sold, making access to commercial kitchen space a necessity. This program prepares graduates to enter kitchen incubators, walks them through the application process, and covers the cost of space for five members of each cohort.</p>

## Key Takeaway 2: Even with comprehensive supports, fear and personal barriers can derail success

One of the main lessons learned was that initially FBP was an incomplete solution to the problems faced by NYCHA residents seeking to launch and grow food businesses. Incubator winners did all of the work necessary to complete the class, form their businesses, and obtain commercial kitchen incubator space, but were hesitant to begin using the commercial kitchen resources they received. Viewing kitchen access as a limited resource, they were concerned about not having sufficient business to warrant its use. Instead, they opted to delay entry into the incubator while they worked to build up sufficient business. But “sufficient business” was mainly an elusive, undefined target used to justify their delayed entry; they were unable to grasp that the incubators would help to extend their networks, giving them access to opportunities previously unknown to them.



The underlying theme at the heart of the reasons for delay provided by incubator recipients could be summed up in one word: fear. They had a fear of using up their kitchen resource without having enough business to warrant its use in the short term and of not having access to the resource or the ability to afford the resource in the future.

To address the underlying cause of this fear and to reduce the delays, professional coaches from the [International Coach Federation's](#) NYC Chapter, a REES Zone Partner were introduced into the process for Cohort One in August 2015.

The coaches helped incubator winners navigate life issues and address the self-defeating habits delaying their progress. Coaches provided incubator winners with time-management support, personal accountability, and the confidence they needed to take the next step.

One month after starting to meet with their coaches, incubator winners who had delayed began entering the incubators. Joann Poe, an incubator winner from Cohort One, expressed it this way: “Working with my coach, it really sunk in that I can go out and get clients. I came to the realization that this is really happening. I never tried to get sales, and waited for people to come to me. Now in order for this business to thrive, I have to go out there and sell it. I wasn’t planning on going into the kitchen until November, and my coach challenged me and so I tried for October. Once I got in, I kept getting more orders.” Joann, owner of [NYC’s Best Dressed Cupcakes](#), is now actively selling her products online, in farmers markets, and through two stores in Brooklyn.

## Key Takeaway 3: Market access is just as important as training and grants.

Another tool used to address the fears of the incubator winners was market access. The partnering organizations began sourcing sales leads for the incubator winners to help them move beyond the fear of not having sufficient business to warrant incubator usage. The first opportunity, [Queens Night Market](#) was secured by SBS and presented to winners in early September. Three of the five Cohort One winners sold there. Following that were opportunities to sell through [Just Foods](#)-affiliated farmers markets and orders placed by the partnering organizations for employee and buyer events. Shyritta Conley, owner of [Rita’s Treats](#), explained this point best: “I had no choice but to get into the incubator when the opportunity to sell at Queens Night Market came around.”

## Key Takeaway 4: Business plans and incubator applications are not a sufficient judge of a candidate's readiness to grow their business

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While incubator recipients battle fears of generating sufficient sales to justify the use of the kitchen space, we have seen graduates who have not received incubator spaces creatively solve their kitchen access issues via other means. For example, Lancelot Brown, graduate of Cohort One and owner of [Jamaica Grill Jerk Center](#), launched a series of pop-up shops to deliver food straight to his customers and subsequently opened a restaurant<sup>31</sup> in the Clinton Hill section of Brooklyn. Additionally, Luquana McGriff, graduate of Cohort Three and owner of [A Cake Baked in Brooklyn](#), secured a scholarship to the Brooklyn FoodWorks kitchen incubator after not receiving incubator space through FBP.

Some participants made the decision not to enter an incubator because it was not right for their business model. However, that does not mean that the program was not beneficial to them and that it did not remove barriers to their success. At times, those who did not win incubator space have shown more get-up-and-go, driven by the hunger to secure commercial kitchen space, than those who received the incubator spots. They understand that without kitchen incubator access, the growth of their businesses will be stunted.

Although the business plan and incubator application can be good indicators of a candidate's commitment to the success of their business, other evaluation tools should also be incorporated. During Year Two we added NYCHApreneur interviews with incubator operators and an optional sales commitment challenge to the process, to better identify those most deserving of incubator space support.

Market access has proven to be a transformative incentive for incubator winners to utilize their commercial kitchen resources and expand their

professional networks and sales opportunities. During Year Two, FBP has also extended the same sales opportunities to non-incubator recipients as a way to encourage them to access incubator space or some other commercial kitchen<sup>32</sup> and to continue to move forward in their businesses.

## Key Takeaway 5: A collective impact network generates benefits beyond the scope of the original project for the partner organizations

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Working together on FBP gave partner organizations a deeper understanding of each other's core strengths, operations, objectives, and constraints in a way that does not occur in less intertwined partnerships. The results were improved operations, expanded relationships, and better service for our customers.

## IMPROVED OPERATIONS

Marketing and outreach lessons learned through FBP were applied to more effectively target the NYCHA business owner community and to provide greater access to SBS services. The communication of program requirements for SBS' NYC Craft Entrepreneurship Program was modified to better relate to and be more welcoming to the NYCHA community by allowing for debit cards in addition to credit cards and smartphones in addition to computers. SBS' Kauffman FastTrac® NewVenture business course offerings now have evening classes, and are offered in the outer boroughs, both first done with FBP.

Start Small Think Big's legal and financial staff has also developed and continues to develop industry-specific expertise and programming. Typically Start Small Think Big's non-FBP clients operate such a diverse array of businesses that the organization is not able to offer industry-specific guidance. The internal expertise developed throughout the first program will benefit future FBP participants as well as other food business clients (of which there are many).



For Start Small Think Big's partner law firms, FBP offers a unique opportunity to take on a large-scale, recurring, transactional pro bono project. Through the FBP entity selection clinics, large groups of associates are able to enter into pro bono representation that has real and immediate client impact. The fact that FBP clients are similarly situated in business type and stage, and seek the same category of legal services, streamlines training and supervision.

## EXPANDED RELATIONSHIPS

Through the strengthened working relationship with REES, additional SBS resources are being made more accessible to the NYCHA community. NYCHA residents now receive direct referrals to local SBS Business Solutions Centers from REES to partake in a series of free introductory classes. Additionally, FastTrac® NewVenture outreach (a version of the class that is sector-neutral) targeted specifically to NYCHA residents began in Q2 of 2016. These benefits are particularly significant because these free resources provide quality, accessible alternatives to other fee-based services.

Through FBP, SBS was also introduced to Start Small Think Big and Union Settlement's Business Development Center, which offers an accessible program for obtaining a New York City food handler certificate. As a result, SBS is now leveraging their services for other, unrelated projects.

For Start Small Think Big, working directly with City agencies toward shared goals has improved their familiarity with and access to the City's wealth of small business services and resources. Leveraging these resources has complemented and enhanced their holistic service model.

Lastly, through REES, other City agencies have direct contact with NYCHA residents, from whom they learn

about the unique challenges facing this population, and about whom they can gather data to create new, relevant programming. REES conducted a survey for EDC that uncovered a demand for fashion industry business programming. REES also took the lead in identifying additional Business Pathways tracks based on NYCHA resident demand.

## SERVICE ADAPTATIONS

Working with FBP participants and partner agencies has deepened Start Small Think Big's organizational understanding of the immense challenge corporate formalities present to extremely low-income entrepreneurs, as FBP participants have lower household incomes, on average, than other Start Small Think Big clients. This has in turn inspired the development of new tools for building legal and financial capacity to help overcome these challenges. Specifically, Start Small Think Big has designed one-on-one legal services for FBP participants in an attempt to do more than produce legal work product (e.g., form a limited liability entity or draft a customer contract). Instead, the programs are designed so that participants leave with a true grasp of legal concepts such as limited liability, corporate governance, negotiation, and contracts, improving their capacity to independently navigate business transactions going forward.

Very early on, REES shifted the focus of an unrelated business-owner cooperative development project to focus on access to market opportunities for food businesses. This shift was based on the high demand and need for these opportunities observed in both FBP candidates and graduates.

By leveraging existing business education curricula available to all New Yorkers, SBS was able to customize the FastTrac® NewVenture curriculum to best fit the needs of NYCHA food entrepreneurs.

SBS will continue to provide additional support to ensure that these businesses are sustainable within the changing economic landscape of New York City.

FBP strengthened the de Blasio administration's commitment to ensuring that all New Yorkers have access to City services and resources for the success of their business.



## CONCLUSION

Creating formal legal entities is the only way that NYCHApreneurs can leverage their existing business activity to achieve economic self-sufficiency. However, limited access to the keys to success—education, capital and space—continues to impede their efforts to do so. Through the FBP program, these barriers are directly addressed, resulting in an annual business formation rate that exceeds anything that has been observed in this community. This program bridges the gap between NYCHA residents and the supports readily available to all New Yorkers to grow and scale their businesses

Through the implementation of FBP, we have learned important lessons, which build upon prevailing industry theories, about launching businesses in low-income communities. These lessons include:

- Even with comprehensive supports, fear and personal barriers can derail success,
- Market access is just as important as training and grants,
- Business plans and incubator applications are not a sufficient judge of a candidate's readiness to grow their business, and
- A collective impact network generates benefits beyond the scope of the original project for the partner organizations.

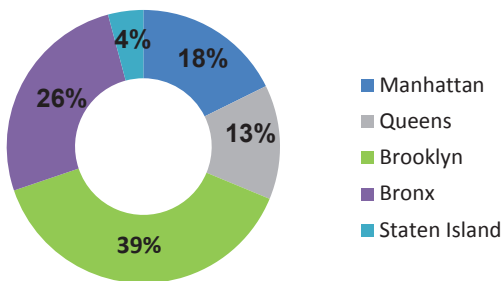
However, FBP takes things a step farther by providing a comprehensive continuum of services in one program. The holistic approach of FBP enables NYCHApreneurs to grow beyond informal business operations into registered, growing businesses with a solid foundation.

At its core, FBP rests on the foundation of the Kauffman FastTrac® NewVenture curriculum, grants to cover the cost of start-up fees, and access to affordable space from which to legitimately operate a business. Added to this foundation are supplemental types of education designed to help candidates successfully transition from the theoretical to the operating environment. None of these components are exclusive to the food industry. Thus, Business Pathways could be a transferable model for formalizing the business activity of public housing residents in other industries. If this rings true, through the Business Pathways model, public housing residents will have the needed supports to leverage their business activity to achieve economic self-sufficiency. As a next step, we plan to leverage this model in the home-based childcare industry to further test this theory.

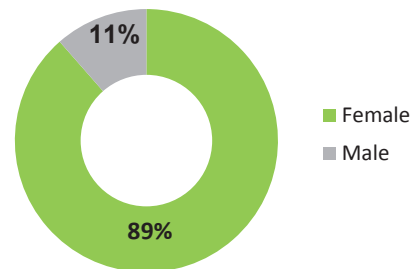
# APPENDIX A: PARTICIPANT DEMOGRAPHIC PROFILE<sup>33</sup>

- 100% of all participants were NYCHA residents
- All 3 cohorts were overwhelmingly female
- Participants represented every borough; the majority lived in Brooklyn and the Bronx

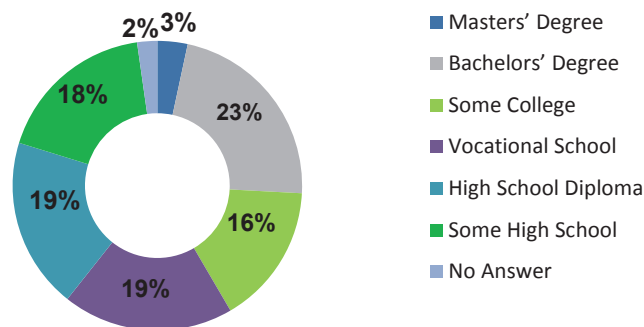
### Borough Breakdown



### Gender Breakdown



### Educational Background



## APPENDIX B - FOUNDING PARTNERS

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### **NYCHA Office of Resident Economic Empowerment and Sustainability**

NYCHA's Office of Resident Economic Empowerment and Sustainability (REES) develops and implements programs, policies, and partnerships to measurably support residents' increased income and assets in four key areas: Business Development, Financial Literacy and Asset Building, Employment and Advancement, and Adult Education and Training. REES Business Development Unit's priorities are to provide residents with access to business education, work space, and capital to empower them to build sustainable, livable-wage-producing businesses.

### **New York City Economic Development Corporation**

New York City Economic Development Corporation (EDC) is the City's primary vehicle for promoting economic growth in each of the five boroughs. EDC's mission is to stimulate growth through expansion and redevelopment programs that encourage investment, generate prosperity, and strengthen the City's competitive position. EDC serves as an advocate to the business community by building relationships with companies that allow them to take advantage of New York City's many opportunities.

### **New York City Department of Small Business Services**

The Department of Small Business Services (SBS) makes it easier for businesses in New York City to start, operate, and expand by providing direct assistance to business owners, fostering neighborhood development in commercial districts, and linking employers to a skilled and qualified workforce.

### **Citi**

Citi, the leading global bank, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments, and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

### **Hot Bread Kitchen**

Based in East Harlem, Hot Bread Kitchen is an innovative social enterprise that offers workforce development and business support to aspiring bakers and food entrepreneurs in New York City. Their bakery training program preserves baking traditions from around the world, while creating professional opportunities in the culinary industry for low-income and immigrant women. Their kitchen incubator, HBK Incubates, provides licensed commercial kitchen space at affordable rates, technical assistance, regular programming, and financial advising to all food entrepreneurs ready to grow to the next stage.

### **Start Small Think Big**

Start Small Think Big is a not-for-profit organization located in the South Bronx. Their mission is to help low- to moderate-income individuals build and sustain thriving businesses to increase their personal financial security and stimulate economic activity in underserved NYC communities. Start Small Think Big believes that entrepreneurship results in increased innovation and sustained economic growth for everyone, in particular those traditionally most marginalized. In 2015 alone, they served close to 1,000 low- to moderate-income entrepreneurs and engaged over 750 professional volunteers, who provided those entrepreneurs with approximately 8,200 hours of one-on-one pro bono legal and financial services, valued at \$4.8 million.

## PARTNER INCUBATORS

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Bronx CookSpace at WHEDco  
Brooklyn FoodWorks  
HBK Incubates at Hot Bread Kitchen  
The E-Space

## CONTRIBUTING ORGANIZATIONS

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Bedford Stuyvesant Restoration Corporation  
International Coach Federation- NYC Chapter  
NYC Department of Consumer Affairs' Office of  
Financial Empowerment  
Greenpath Inc.  
Union Settlement Business Development Center

## STEERING COMMITTEE MEMBERS

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### NYCHA

- Jeanique Riche-Druses, Assistant Director, Resident Business Development, REES
- Idowu Odedosu, Project Manager, REES

### EDC

- Eleni D. Janis, Vice President & Director, Social Capital Desk
- Emma Manson, Project Manager, Strategic Planning (through July 2015)
- Pasha Gol, Senior Project Manager

### SBS

- Todd Lang, Executive Director, Education
- Yahaira Fuentes, Senior Program Manager
- Neha Sodhi, Food Business Pathways Program Manager

### Citi

- Colleen Galvin, SVP, Community Development
- Florence Juillard, VP, Community Development

### HBK

- Jessamyn Rodriguez, CEO & Founder
- Kobla Asamoah, Director of HBK Incubates
- Ilyssa Satter, Program Manager, Hot Bread Kitchen (through May 2015)
- Kimberly Vallejo, Program Manager of HBK Incubates

### Start Small Think Big

- Jennifer DaSilva, Executive Director
- Erica Coleman, Legal Programs Director (through December 2015)
- Elizabeth Bradford, Legal Programs Director

# APPENDIX C: PROGRAM MODIFICATIONS

Food Business Pathways has undergone numerous modifications, and consistently strives for process improvement. The project team has adjusted quickly to participant feedback and has modified program operations to better align with program goals. Changes have been made after each cohort to improve the results and the experience for incoming participants. However, not all of the modifications have had positive outcomes, showing that there is still work to be done to improve the program.

## Program Modifications Chart

	PROCESS	CHANGE	TIMING	RESULT
Recruitment	Interviews	Modified application instructions	Cohort1 (C1) to Cohort2 (C2)	Improved application quality
	Interviews	Moved from two interviewers per candidate to one due to resource constraints	C1 to C2	Greater subjectivity in interview scoring
	Interviews	Refined interview rubric and added program graduates to pool of potential interviewers. Shifted back to having two interviewers per candidate	C2 to C3	Reduction in scoring variance between interviewers
	Recruitment	Invited program graduates to share program experiences at each information session	C1 to C2	Greater program engagement from attendees. Better quality applications
	Recruitment	Promoted program in various media outlets using graduates' success stories	C1 to C2	More competitive application process (See Figures 1 & 2)
	Recruitment	Created application rubric	C2 to C3	Slightly enhanced interviewee selection process
	Class in Session	FastTrac Course	Extended course from 8 to 10 weeks as a result of participant feedback	C1 to C2
Personal Financial Counseling		Introduced access to individual financial counseling through a third party based on survey results	C1 to C2	46% of Cohort 2 received financial counseling in which they reviewed their credit, created a budget, and made a financial action plan. Their areas of concern were banking, credit, and debt
Personal Financial Counseling		Changed vendor and created a financial counseling session	C2 to C3	100% of the class received financial education, and 3 participants had individual sessions with a counselor
Course Management		Created a resource binder for program participants giving them all class information at once and on the first day	C1 to C2	Simplified program administration and reduced participant questions during the program
Incubator Workshop		Moved workshop to the beginning of the program	C1 to C2	Provided a tangible reference point, simplifying classroom conversations
License & Permits		Licensing Process	Added deadlines to the process	C1 to C2
	Incubator Applications	Gave participants the application immediately after the workshop, refocused the questions on business growth in the upcoming year, made application submission mandatory, and moved it to an electronic platform	C1 to C2	Received better quality applications, and submission rates increased to 100%
Coaching	Group Coaching/ Technical Assistance	Shortened gap between graduation and group coaching/technical assistance sessions. Engaged only interested participants	C1 to C2	Participation declined 33%
	Individual Coaching	Started individual coaching sessions immediately upon creating the coaching pairs instead of waiting until incubator entry	C1 to C2	Achieved a 33% improvement in time to incubator entry ( <i>in conjunction with the licensing process change</i> ).

Modifications have also been made for Year 2 of Food Business Pathways to improve program efficiencies and results. The main changes include:

- A reduction in the number of annual cohorts from three to two.
- Stricter graduation standards.
- Stricter timelines for filing administrative paperwork, and penalties for failing to file.
- Enhanced incubator application process inclusive of interviews with incubators.
- A more defined access-to-markets component.



# NOTES

<sup>1</sup> For the purposes of this paper, “NYCHA residents” refers to both NYCHA development residents and NYCHA Section 8 voucher holders.

<sup>2</sup> REES implements a place-based “Zone Model” that is focused on service coordination, strategic partnerships, leveraging localized external resources and services, and NYCHA resources to support residents in increasing their income and assets. (The New York City Housing Authority, REES, <http://www1.nyc.gov/site/nycha/residents/rees.page>.)

<sup>3</sup> NYC Business Solutions is a set of FREE services offered by the NYC Department of Small Business Services to help businesses start, operate, and expand in New York City. Whether you need financing assistance, legal advice, ways to secure new business opportunities with the City, recruiting advice, or help with permits or licenses, NYC Business Solutions can work for you—for FREE. (The New York City Department of Small Business Services, *NYC Business Solutions - Helping New York City Businesses Start, Operate, and Expand*, <http://www.nyc.gov/html/sbs/nycbiz/html/home/home.shtml>.)

<sup>4</sup> HBK Incubates is a shared commercial kitchen and business support program run by an award-winning food business. Located in East Harlem, a neighborhood with the second-highest concentration of public housing in the nation, HBK Incubates is committed to providing access to commercial kitchen space to low-income persons.

<sup>5</sup> In New York State, access to a commercial kitchen is a necessity since there are limits on what can be produced by a home-based business and where those products can be sold.

<sup>6</sup> Low Income Food Entrepreneur (LIFE) program members receive full payment of their cost of incorporation, insurance and licensing during the first year, reduced commercial kitchen rental rates, help learning how to use kitchen equipment and scale up recipes, English classes, business development workshops and personal finance classes, and access to a community of like-minded entrepreneurs. (Hot Bread Kitchen, LIFE Program Flier, [http://beta.asoundstrategy.com/sitemaster/userUploads/site298/Life\\_program\\_flier\\_final\\_English.pdf](http://beta.asoundstrategy.com/sitemaster/userUploads/site298/Life_program_flier_final_English.pdf).)

<sup>7</sup> Fees necessary to receive clearance to operate a food business out of a kitchen incubator in NYS: average cost to establish a NYS legal entity (\$130) + cost of a NYS Tax ID# (\$79) + food protection course and license (\$115) + average cost of Food Establishment Permit (\$292.50) + cost of Agriculture & Markets Permit (\$400) + average insurance cost (\$500) = \$1,516.50 (Note: Costs do not include the cost of professional services such as legal services to assist with business formation.)

<sup>8</sup> Although the LIFE program was able to identify a space for the Harlem Pie Man, it was operating at capacity and lacked the upfront business education piece needed by NYCHA residents to successfully apply, sparking the need for a new program.

<sup>9</sup> EDC analysis of ACS data for NYCHA-containing census tracts. (The New York City Economic Development Corporation, *Low-Income Neighborhood Entrepreneur Program*, July 9, 2014: 4.)

<sup>10</sup> There are many barriers to business ownership that plague low-income communities in general and NYCHA residents in particular. A 2013 REES survey of NYCHA residents highlighted challenges that can be summarized into three main categories: (1) Education, (2) Access to Capital and (3) Access to Affordable Space. (I. Odedosu, J. Riche, & G. Pierre, *Resident Business Development (RBD) NYCHApreneur Research Findings*, (August 29, 2013): 13.)

<sup>11</sup> <https://nycfuture.org/pdf/Launching-Low-Income-Entrepreneurs.pdf>.

<sup>12</sup> Mayor Bill de Blasio, *State of the City Remarks by Mayor de Blasio, as Prepared for Delivery*, (February 10, 2014), <http://www1.nyc.gov/office-of-the-mayor/news/045-14/state-the-city-remarks-mayor-de-blasio-prepared-delivery#/0>.

<sup>13</sup> The New York City Economic Development Corporation, *About NYCEDC*, <http://www.nycedc.com/about-nycedc>.

<sup>14</sup> Find out more about the REES Zone Partner network at [www.opportunitynycha.org](http://www.opportunitynycha.org).

<sup>15</sup> Find out more about the REES Resident Business Development Unit at [www.opportunitynycha.org/business-development/](http://www.opportunitynycha.org/business-development/).

<sup>16</sup> REES has four functional areas: (1) Resident Business Development, (2) Employment and Advancement, (3) Adult Education and Training, and (4) Financial Literacy and Asset Building.

<sup>17</sup> Program graduate licenses and permits are funded by the NYC Economic Development Corporation.

<sup>18</sup> New York State regulation limits what can be produced by a home-based business and where those products can be sold. (The New York State Department of Agriculture and Markets, *The New York State Department of Agriculture and Markets*, <http://www.agriculture.ny.gov/fs/consumer/processor.html>.)

<sup>19</sup> The New York City Housing Authority, *Home-Based Business Checklist*, <http://opportunitynycha.org/business-development/home-based-business/>.

<sup>20</sup> The New York City Housing Authority, *Food Business Pathways*, <http://opportunitynycha.org/business-development/food-business-pathways/>.

<sup>21</sup> The New York City Economic Development Corporation, *NYCHA Food Business Pathways*, <http://www.nycedc.com/program/nycha-food-business-pathways>.

<sup>22</sup> “Incubator-ready” refers to business owners who are qualified and prepared to successfully apply for incubator space, with minimal one-on-one assistance from incubator or other City or nonprofit staff. “Qualified and prepared” means they have clear verbal or written business plans and goals, documented business operations, all required financials and paperwork, and all required licenses, permits, and insurance for entry. (The New York City Economic Development Corporation, *Food Business Pathways Grant Proposal*, (December 23, 2014): 3.)

<sup>23</sup> Many of the remaining 8 Food Business Pathways graduates determined that they were not ready for business ownership and decided not to move forward with the business formation process.

<sup>24</sup> See [www.opportunitynycha.org/business-development/](http://www.opportunitynycha.org/business-development/) for a detailed overview of NYCHApreneur segmentation.

<sup>25</sup> The New York City Department of Small Business Services, *2015 Year in Review*, (February 2, 2016): 2.

<sup>26</sup> K. Laney, J. Bowles, & T. Hilliard, *Launching Low-Income Entrepreneurs*, (New York: Center for an Urban Future), 31.

<sup>27</sup> *Ibid.*, 33.

<sup>28</sup> *Ibid.*, 33.

<sup>29</sup> *Ibid.*, 34.

<sup>30</sup> *Ibid.*, 34.

<sup>31</sup> At the time of the publishing of this white paper, the restaurant is closed and undergoing renovations after experiencing a flood.

<sup>32</sup> Graduates are consistently reminded that a commercial kitchen is a necessity to operate a food services business and to take advantage of sales opportunities. Additionally during Year Two, they will receive access to a resource manual which includes a collection of sales opportunities and accessible commercial kitchen incubators.

<sup>32</sup> The New York City Department of Small Business Services, *2015 Year in Review*, (February 2, 2016): 3.



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