

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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Start: 10:21 a.m.
Recess: 10:48 a.m.

HELD AT: COMMITTEE ROOM, CITY HALL

B E F O R E: Justin L. Brannan, Chairperson

COUNCIL MEMBERS:

- Diana Ayala
- Charles Barron
- Gale A. Brewer
- Selvena N. Brooks-Powers
- David M. Carr
- Amanda Farias
- Kamillah Hanks
- Crystal Hudson
- Farah N. Louis
- Francisco P. Moya
- Keith Powers
- Pierina Ana Sanchez
- Althea V. Stevens
- Marjorie Velázquez
- Nantasha M. Williams

A P P E A R A N C E S (CONTINUED)

Calvin Brown
Deputy Commissioner
Neighborhood Development
Small Business Services

Lauren Collins
Executive Director
Church Ave and Flatbush Ave BID

Fabiola Santos-Gaerlan
Business Owner
Church Ave and Flatbush Ave BID

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2 SLEEP AND APPETITE: Please quiet down. And once
3 again, good morning and welcome to the Committee on
4 Finance. At this time we asked if you can please
5 place your phones on vibrate or silent mode. Thank
6 you chair. We're ready to begin.

7 [GAVEL]

8 CHAIRPERSON BRANNAN: Thank you. Good morning
9 and welcome to today's Finance Committee meeting.
10 I'm Justin Brannan, Councilmember. I have the
11 privilege of chairing the Committee on Finance. We
12 have been joined by Councilmembers Brooks-Powers,
13 Williams, Barron, Louis, Ayala, Althea Stevens,
14 Camilla Hanks, Crystal Hudson, Amanda Farias, Keith
15 Powers, David Carr. Anybody on Zoom? Councilmember
16 Moya on Zoom. The Honorable Rita Joseph.

17 Today the committee will be voting on-- Today the
18 committee will be voting on the following items:
19 Transparency resolution and eight Article 11
20 resolutions. We'll also be hearing one bill, Intro
21 958-A.

22 First, the transparency resolution sets forth the
23 new designation and changes in the designation of
24 certain organizations receiving local aging and youth
25 discretionary funding and funding pursuant to certain

2 initiatives in the budget. And as with all
3 transparency resolutions, Councilmembers will have to
4 sign a disclosure form indicating whether or not a
5 conflict exists with any of the groups on the
6 attached list. Any member that as a potential
7 conflict of interest with any of the organizations
8 listed they have the opportunity to disclose the
9 conflict at the time of their vote.

10 As a reminder, please disclose any conflicts you
11 may have with proposed subcontractors used by
12 organizations sponsored by discretionary funding.
13 These disclosures must be made before the
14 subcontractor can be approved. Disclosure forms must
15 be completed and submitted prior to the vote on the
16 transparency resolution and may be emailed to Julius
17 Kuranda, who was also present with us today in
18 chambers to answer any of your questions.

19 Next, the first Article 11 is for one 40-year
20 full exemption for a 31 unit affordable HDFC Co-Op
21 and Councilmember Shaun Abreu's district. The
22 exemption will allow the building to undergo
23 rehabilitation as part of the green housing
24 preservation program to improve the roof, elevator,
25 facade, and energy efficiency of the building.

2 The next Article 11 is one new 40-year partial
3 exemption and four amendments to the existing
4 exemptions for 4 buildings and Councilmember Ayala's
5 district. The new exemption will support
6 improvements through a refinancing of the site's
7 existing HUD mortgage, while the amendments will
8 extend the expiration date of the current exemptions
9 to provide any gap before the new exemption takes
10 effect.

11 The next Article 11 is a new 35-year partial
12 exemption for one building and Councilmember
13 Richardson Jordan's district. The exemption will
14 replace an existing 421A exemption set to expire and
15 2032 and run coterminous with the building's HDC
16 mortgage.

17 The final article 11 is a new 40-year partial
18 exemption for one building and Councilmember Brewer's
19 district. The exemption would allow the building to
20 enter an HPD regulatory agreement, stabilizing rents
21 in the building. It will create a 10% set-aside for
22 homeless people, perform critical and immediate work
23 on the property, and participate in HPDs Aging in
24 Place initiative.

2 Finally, Intro 958A would merge the Church Avenue
3 and Flatbush Avenue BIDs. It would dissolve the
4 Church Avenue BID, expand the borders of the Flatbush
5 Avenue BID to incorporate the service area presently
6 covered by the Church Avenue BID, and rename the
7 Flatbush Avenue BID to the Church Avenue Flatbush
8 Avenue Business Improvement District. The bill would
9 set the authorized annual expenditure amount of the
10 combined BID at \$589,000, which is the total of the
11 current annual expenditures of the two separate BIDs
12 and amend the assessment method accordingly.

13 Today's hearing was noticed by Resolution 531,
14 which we adopted on April 11. We will hear shortly
15 from any witnesses who wish to testify. Once we've
16 heard any testimony we will then lay over the bill
17 for at least 30 days to allow any property owner
18 within the proposed extended area to file an
19 objection to the BID extension with the city clerk.
20 In the absence of objections filed either by a
21 majority of all the impacted property owners or by
22 the property owners owning a majority of the assessed
23 value of the property within the proposed extended
24 district, the Committee and the full Council may
25 adopt the legislation. In order to do so. The

2 Committee and the full Council must be prepared to
3 answer the following four questions in the
4 affirmative for the BID:

5 Were all notices for all hearings required to be
6 held, published and mailed as so required?

7 Does all the real property within the district's
8 boundaries benefit from the extension of the
9 district, except as otherwise provided by law?

10 Is all property benefited by the district
11 included within the district?

12 And is the extension of the district in the best
13 interest of the public?

14 If the committee and the full Council find in the
15 affirmative on these four questions, and the number
16 of objections required to prevent the extension of
17 the BID are not filed, then the legislation of the
18 new boundaries and the new BID name can be adopted.
19 Additionally, the committee and the full Council must
20 determine that it is in the public interest to
21 authorize an increase in the maximum annual
22 expenditure amount, that the relevant tax and debt
23 limits will not be exceeded, and that the notice of
24 the increased proposed expenditure amount was
25 properly published.

2 Additional information regarding this BID item
3 can be found in the committee report, the City
4 Planning Commission Report, and the BIDs proposed
5 district plan. Both BIDs are within Councilmember
6 Rita Joseph's district, who is supportive of this
7 legislation. I want to give my colleague,
8 Councilmember Joseph, an opportunity to make remarks.
9 Councilmember Joseph, do you want to make remarks?

10 COUNCILMEMBER JOSEPH: Thank you, and good--
11 Thank you Chair. I just wanted to express a few
12 things. Expanding the BID is a commendable
13 initiative that can have significant impact. And so
14 therefore, I support the community for businesses'
15 economic growth, enhanced collaboration, and also
16 improve infrastructure and services by expanding the
17 BID. There's also an opportunity for us to invest in
18 physical infrastructure of the area. This can
19 include beautification projects, enhanced public
20 space, improved signage, and there are so many
21 different advantages for emerging the BID. So I am
22 in support of it. Thank you, Chair.

23 CHAIRPERSON BRANNAN: Okay, thank you
24 Councilmember. Before we proceed with the testimony
25 from small business services, will hold a vote on the

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2 transparency resolution, and the Article 11
3 resolutions and those items only. Are there any
4 comments or questions from my colleagues on these
5 items?

6 I will now ask Billy Martin, the committee clerk
7 to call the roll.

8 COMMITTEE CLERK: Good morning, William Martin,
9 Committee Clerk. Roll call vote Committee on
10 Finance. Items are coupled with resolution and
11 Article 11 items. Chair Brannon?

12 CHAIRPERSON BRANNAN: I vote aye.

13 COMMITTEE CLERK: Ayala?

14 COUNCILMEMBER AYALA: Aye.

15 COMMITTEE CLERK: Moya?

16 COUNCILMEMBER MOYA: I vote aye.

17 COMMITTEE CLERK: Thank you. Powers.

18 COUNCILMEMBER POWERS: Aye.

19 COMMITTEE CLERK: Louis?

20 COUNCILMEMBER LOUIS: I vote I.

21 COMMITTEE CLERK: Brooks-Powers?

22 COUNCILMEMBER BROOKS-POWERS: I vote aye.

23 COMMITTEE CLERK: Barron?

24 COUNCILMEMBER BARRON: I vote aye. I disclose my
25 son worked for BRIC Arts Media Inc.

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2 COMMITTEE CLERK: Fariás?

3 COUNCILMEMBER FARÍAS: I vote aye.

4 COMMITTEE CLERK: Hanks?

5 COUNCILMEMBER HANKS: I vote aye.

6 COMMITTEE CLERK: Hudson?

7 COUNCILMEMBER HUDSON: Aye.

8 COMMITTEE CLERK: Stevens?

9 COUNCILMEMBER STEVENS: Aye.

10 COMMITTEE CLERK: Williams?

11 COUNCILMEMBER WILLIAMS: I vote aye.

12 COMMITTEE CLERK: Thank you. Carr?

13 COUNCILMEMBER CARR: I'd like to disclose on the
14 record that my spouse is a student at CUNY, and CUNY
15 is listed in the transparency resolution, and I vote
16 aye.

17 COMMITTEE CLERK: Thank you. Who else is online?

18 CHAIRPERSON BRANNAN: Councilmember Williams?

19 COUNCILMEMBER WILLIAMS: Yeah, I just wanted to
20 disclose that I'm a CUNY student receiving also funds
21 from CUNY.

22 CHAIRPERSON BRANNAN: Humblebrag. Thank you.

23 COMMITTEE CLERK: Thank you. The vote is at 13
24 in the affirmative, zero the negative, and no
25 abstentions.

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2 CHAIRPERSON BRANNAN: Councilmember Stevens?

3 COUNCILMEMBER STEVENS: I have to disclose that
4 my daughter's a CUNY student.

5 CHAIRPERSON BRANNAN: Okay. Everyone that voted
6 can go if you want, or you'd like to stay you can.
7 We're going to hear from Small Business Services now.

8 Councilmember Stevens you have to leave.

9 Billy's breaking microphones

10 Okay, now we're gonna hear from representatives
11 from the Department of Small Business Services and
12 the BIDs. We've got Calvin Brown, Deputy
13 Commissioner of SBS, Lauren Collins from Church Ave
14 and Flatbush Ave BID, and we have Fabiola Santos-
15 Gaerlan. Gale, how do you vote?

16 COUNCILMEMBER BREWER: I vote aye. Thank you.

17 COMMITTEE CLERK: The vote is currently at 14.

18 CHAIRPERSON BRANNAN: Okay guys. You can start
19 when you're ready. Oh wait, we have to swear you in
20 first. Going rogue here.

21 COUNSEL: Right. Sir, I need to swear you in.
22 Can you raise your right hands please?

23 Do you affirm that your testimony will be
24 truthful to the best of your knowledge, information,

25

2 and belief and that you will honestly and faithfully
3 answer a Councilmember questions? Calvin Brown?

4 DEPUTY COMMISSIONER BROWN: I do.

5 COUNSEL: Lauren Collins?

6 MS. COLLINS: I do.

7 COUNSEL: Fabiola Santos-Gaerlan?

8 MS. SANTOS-GAERLAN: I do.

9 COUNSEL: Thank you. Please proceed.

10 DEPUTY COMMISSIONER BROWN: Thank you. Good
11 morning, Chair Brannan and members of the Finance
12 Committee. I'm Calvin T. Brown, the Deputy
13 Commissioner for Neighborhood Development at the
14 Department of Small Business Services, and I'm joined
15 by my colleagues Emily Edwards, Executive Director
16 for our BID team as well as Leslie Velazquez, who's
17 the director of our development and legislation. We
18 are here to testify in support of the extension of
19 the Flatbush Avenue Business Improvement District in
20 Brooklyn. At SBS we are working hard to open up the
21 doors for New Yorkers across the five boroughs,
22 focusing on creating stronger businesses, connecting
23 New Yorkers to good jobs, and fostering thriving
24 neighborhoods. We believe that the vitality of the
25 city's commercial corridor is a key part of achieving

2 this goal, and BIDs have been valuable and proven
3 partners in small business support, neighborhood
4 revitalization, and economic development across all
5 the five boroughs.

6 City services which by law cannot be reduced
7 because of the extension of a BID are only
8 supplemented through the BID's delivery of services
9 and improvements in their respective districts. In
10 addition to our role overseeing and supporting the
11 city's extension of network of 76 BIDs, SPS also
12 supervises the BID formation and expansion process,
13 serving as an advisor and resource for communities
14 interested in developing or expanding BIDs. We are
15 careful to ensure that each steering committee we
16 work with adheres to our planning process and
17 policies, solicits robust community input, and
18 performs extensive outreach to collect and
19 demonstrate broad base support across all stakeholder
20 groups.

21 Moreover, we are cognizant of the unique nature
22 of each community we assist and aim to empower local
23 stakeholders to make determinations on proposed
24 services, boundaries, and a budget size that best
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2 suits their community's needs, appetite, and ability
3 to pay assessments. While we are always--

4 [background voices]

5 CHAIRPERSON BRANNAN: Cal, hang on a second. Can
6 we close that door.

7 Sorry about that no problem.

8 DEPUTY COMMISSIONER BROWN: No problem. While we
9 always impart strong planning principles and share
10 our data and best practices across the BID network,
11 when working with any BID formation expansion effort,
12 we recognize that power and effective BIDs rests in
13 their unmatched understanding of the local needs and
14 issues.

15 There are numerous benefits to the Flatbush
16 Avenue Church Avenue BID merger. Currently, the two
17 BIDs which meet at the intersection of Flatbush and
18 church avenues share an administrative staff, office
19 space, supplemental sanitation among other programs
20 and services. The merger will allow for a single
21 unified organization and budget, streamline
22 programming, messaging, and decision making, thus
23 enabling the operational and cost efficiency across
24 the organization. At this time, I'm happy to answer
25 any questions.

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2 CHAIRPERSON BRANNAN: No questions, sir. Go
3 ahead.

4 MS. COLLINS: Hello, thank you Chair Brannon and
5 Committee. My name is Lauren Elvers Collins on the
6 executive director of the church Avenue District
7 Management Association, and the Flatbush Avenue
8 District Management Association, doing business as
9 the Church and Flatbush Avenue BIDs. I've been with
10 Church Avenue since December 2010 and Flatbush Avenue
11 since December 2013. I appear on behalf of both
12 organizations to request approval of the Flatbush
13 Avenue DMA's expansion and Church Avenue DMA's
14 dissolution as described by SBS, leading to the
15 formation of a combined organization to be known as
16 the Church Avenue Flatbush Avenue Business
17 Improvement District. The DMA's cover roughly one
18 and a half miles of commercial and mixed use property
19 on Church Avenue from Coney Island-- excuse me-- from
20 Coney Island avenue to Flatbush Avenue, and on
21 Flatbush from Parkside Avenue to Cortelyou Road. Our
22 number of businesses constantly changes as businesses
23 divide, but we currently have just under 500
24 businesses and about 280 properties. The boundaries
25 will remain the same under the combined BID. And on

2 April 14 2023, we mailed out notification about this
3 hearing to our combined list of 1528 businesses,
4 property owners, and residents.

5 In 2020, the two boards voted to merge pending
6 Board approval of the details, formed a steering
7 committee which started meeting in April 2021, and
8 completed the final votes in summer of 2022. This
9 merger will be mostly administrative, codifying the
10 way we've already been operating for several years.

11 As Calvin mentioned, we share staff, office
12 space, and manage most of our programs jointly. The
13 proposed total assessment would just equal to two
14 current assessments combined, so \$203,000 plus
15 \$386,000 to bring it to \$589,000. This would place
16 us roughly in the middle of the 76 BIDs in New York
17 City, with assessments ranging from \$73,000 to over
18 \$20 million.

19 Why merge? We would save staff time. We
20 estimate that staff spend an estimated 725 hours per
21 year doing work a second time, a second QuickBooks
22 account, doing a second annual meeting. Also
23 economies of scale: While some costs are shared as
24 much as possible, each BID pays for an annual audit
25 and many other BID requirements.

2 And lastly, we would provide a unified message,
3 bringing both BIDs under one budget and with unified
4 decision making will give a district more consistent
5 programming and messaging that crosses the barriers
6 between the two districts.

7 The BID steering committee and boards held
8 meetings to discuss services, which would continue
9 without any reduction. And actually we've added
10 flexibility so we can pivot within each service area,
11 which will apply with things like when COVID and
12 things like that happen where we have to move exactly
13 what we're doing.

14 The proposed new public-facing name would be the
15 Church Flatbush Community Alliance, which reflects
16 our increased work with community partners, including
17 schools, on advanced and other initiatives.

18 We have the support of our BID members, both of
19 our Community Boards 9 and 14, our Councilmember Rita
20 Joseph, and are grateful to Councilmember Farah Lewis
21 who spoke in favor of this proposal, and who
22 sponsored it. Thank you for your consideration and I
23 welcome any questions.

24 CHAIRPERSON BRANNAN: Thank you.

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2 MS. SANTOS-GAERLAN: Good morning. I'm Fabiola
3 Santos-Gaerlan. I'm the property owner and business
4 owner of Honey Dewdrop Childcare. We opened our
5 business in 2005 and purchased the building in 2007.
6 The BID has been a great support to businesses, and I
7 think the merger is very good. It will consolidate
8 our resources and man hours. Since the two areas are
9 adjacent and flow to each other, it will make the
10 operations optimal and beneficial to the business
11 owners. Also the business owners can support and
12 help each other which is what we need in this time.
13 Thank you for listening.

14 CHAIRPERSON BRANNAN: Thank you. Okay. She is?
15 Okay. I think Councilmember Lewis is going to come
16 in. She wanted to just make, I guess, a supportive
17 comment.

18 COUNCILMEMBER LEWIS: [inaudible]

19 CHAIRPERSON BRANNAN: So we'll have a comment--
20 No, don't worry. We'll have a comment from
21 Councilmember Lewis, and then Billy will take the
22 final vote from Councilmember Velázquez.

23 COUNCILMEMBER LEWIS: Good morning. Thank you
24 chair for holding up for me. After many
25 conversations with community leaders in the last

2 three years, and overwhelming support of Community
3 Board 14 I'm also expressing my support of the
4 proposed expansion of Flatbush Avenue Improvement
5 District to include the Church Avenue district--
6 sorry-- to include the Church Avenue District
7 Management Association, and rename it the Church
8 Avenue Flatbush Avenue Business Improvement District.
9 The Church Avenue District Management Association
10 actually falls in the confines, excuse me, of the
11 45th district, while Flatbush mostly takes up the
12 40th district. So I just wanted to clarify that for
13 the record.

14 BIDs are critical to local economic growth, and
15 they help-- they help create a sense of identity in
16 our communities. With this proposal, we will be
17 consolidating the Church Avenue and Flatbush Business
18 Improvement Districts and expanding their boundaries.
19 By merging these two BIDs, the business owners and
20 staff can unify and collaborate in a more cohesive
21 manner to achieve greater successes. These two BIDs
22 have already been working together for years,
23 including sharing staff. So the merger
24 administratively and officially recognizes the
25 existing synergy of these two districts.

2 I'm always acutely concerned about the level of
3 outreach conducted when changes are being proposed in
4 a community. So with that said, the outreach for
5 awareness done by the BIDs has been excellent. It's
6 been shared with me, and the BIDs have been attending
7 Community Board meetings and club collaborating with
8 elected officials. As you've heard earlier,
9 Councilmember Rita Joseph was here. Our local
10 Community Boards and Block Associations have been
11 collaborating with these BIDs as well. To absorb
12 community sentiment has been paramount, which has
13 mostly been overwhelmingly positive support of, as
14 Lauren probably shared in her testimony earlier. So
15 I look forward to supporting this BID moving forward.

16 And thank you.

17 CHAIRPERSON BRANNAN: Thank you, Councilmember.
18 Councilmember Velázquez, how do you vote?

19 COUNCILMEMBER VELÁZQUEZ: Okay, I'd like to
20 disclose my husband is the Deputy Commissioner for
21 DEP, and my brother is a Board Member for Samaritans
22 of New York. And aye on all. Thank you.

23 COMMITTEE CLERK: Thank you. The vote is
24 currently at 15 in the affirmative.

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2 CHAIRPERSON BRANNAN: Okay, you guys can go if
3 you want. We've just got to leave it open for some
4 more votes. Congratulations. Thank you.

5 MS. COLLINS: Thank you so much.

6 CHAIRPERSON BRANNAN: Thanks, guys.

7 COMMITTEE CLERK: Continuation, roll call,
8 Committee on Finance. Council Member Sanchez?

9 COUNCILMEMBER SANCHEZ: Aye.

10 COMMITTEE CLERK: Final vote, Committee-- the
11 Committee on Finance, all items have been adopted by
12 the Committee, 16 in the affirmative, zero in the
13 negative, and no abstentions. Councilmember Sanchez
14 to close.

15 COUNCILMEMBER SANCHEZ: Thank you for that. And
16 with that, this hearing is closed.

17 [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date May 3, 2023