



OFFICE OF THE BROOKLYN BOROUGH PRESIDENT

Testimony

Brooklyn Borough President Eric L. Adams

Friday, September 30, 2016

I want to thank the City Council, Chair Robert Cornegy, and the Committee on Small Business, for giving me the opportunity to provide comments at this public hearing.

I applaud the City Council for looking for ways, through the New York City Zoning Resolution regulations and incentive programs, that retail diversity can be promoted and neighborhood character can be preserved.

Many of Brooklyn's retail corridors are substantially underdeveloped based on the zoning floor area permitted by the particular zoning districts. The majority of these districts were established in 1961, though several corridors were further upzoned during the prior City Administration, making these retail properties even more attractive as redevelopment sites. Given the strength of Brooklyn's housing market, retailers occupying space within these underdeveloped sites are at risk for being displaced as part of making way for new construction. Unfortunately, too often, commercial zoning districts merely allow for retail use though there is no obligation on the developer to return retail use as part of the property rebuilding.

For these retail streets, the developer has the right to place residential use and/or parking along the building's street frontage. Not only does this adversely affect and directly displace retail tenants, it could weaken the retail corridor by breaking up the continuity of the shopping street, disrupting walkability and, in turn, the livability of the neighborhoods. As the redevelopment too often displaces mom-and-pop businesses, the City should take steps to see that retail space is part of the development.

One recently established tool in the Zoning Resolution that should be applied more frequently is that of Special Enhanced Commercial Districts (SECD). While the SECD does not, in and of itself, guarantee mom-and-pop businesses as occupants, it ensures a presence of retail and/or community facility use with prescribed standards for fenestration for new developments. Such zoning overlay can be established as part of a rezoning where retail use is desired as well as existing retail corridors as a means to ensure the existing retail characteristics.

Retail corridors zoned R6 and R7-1 in neighborhoods remain vulnerable to small retail displacement given the presence of many underbuilt buildings as compared to the existing rights allocated by the 1961 rezoning and subsequent establishment of permitted residential floor area according to the Quality Housing program. Examples include: Bensonhurst's 86th Street, Borough Park, Brighton Beach, Brownsville, Bushwick, Coney Island, Crown Heights, Crown Heights North, East Flatbush, East Williamsburg, Prospect-Lefferts Gardens, and Sunset Park's Eighth Avenue. Contextual upzonings along the Clinton Hill and Fort Greene sections of Fulton Street and Myrtle Avenue have resulted in a joint initiative by Fulton Alliance of Businesses and Myrtle Avenue Revitalization Project to secure establishment of SECDs in response to accessing the potential for direct retail displacement. Other contextual upzonings also appear to merit additional mapping for SECDs, including along Bedford and Franklin avenues in Crown Heights North, sections of Kings Highway, Avenues J and M in Midwood, Vanderbilt and Washington avenues in Prospect Heights, Fourth and Fifth avenues in Sunset Park, and Grand Street and Metropolitan Avenue in Williamsburg.

Depending on the nature of establishing an SECD, it might be appropriate to include additional regulations such as applying any combination of use restrictions and/or frontage or first story location restrictions as a means to control placement of larger retailers, while also expanding the applicability of the Food Retail Expansion to Support Health (FRESH) food program for financial incentives and zoning. Such controls might limit certain uses to lobby frontage with more expansive use toward the rear of the building and/or above the ground floor, with a key exception being the accommodation of a FRESH food store. There are recently established rules applied to the Upper West Side that might be worthy of being incorporated as more SECDs are created.

In addition to financial incentives for supermarkets, the City should be advancing mom-and-pop retailers through its Request for Proposals (RFP) for the disposition of City-owned land. The City must also allocate additional funding to provide legal services for mom-and-pop businesses to combat tenant harassment, as well as financial incentives and credit to ensure small businesses can compete on a more level playing field with larger corporations like banks and chain pharmacies. Further safeguards to promote having retail space occupied by mom-and-pop businesses would be to designate a non-profit local development corporation (LDC) as the selected RFP respondent. Non-profits are much more mission-based than for-profit developers, and such LDCs are generally less sensitive to maximizing income from retail rentals, and, as a result, are able to best choreograph the retail in a manner that favors mom and pop retailers as tenants.

Thank you.

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