

**Testimony of New York City Council Member Shahana Hanif to the  
Department of Small Business Services (SBS): Gowanus Business Relocation Grant Program**

**November 19, 2024**

Good afternoon, I'm Council Member Shahana Hanif and I represent the 39th District in Brooklyn which includes Gowanus. I'm here today to share feedback on the draft rule for the Gowanus Business Relocation Grant Program.

After extensive community advocacy and the leadership of my predecessor in the City Council, the Gowanus Rezoning was passed in November 2021. The rezoning promised to add close to 8,500 new apartments in the neighborhood, with 3,000 slated for affordable development as defined under the City's Mandatory Inclusionary Housing (MIH) program. As part of the rezoning agreement, the City committed to 56 Points of Agreement (POA) to ensure investment in housing, infrastructure, community amenities, public spaces, and businesses. These historic POAs represent nearly \$450 million in direct investments for the Gowanus community, including \$200 million set aside to address the needs of NYCHA.

Since taking office, a key priority of mine has been to ensure the successful and timely implementation of the City's various commitments to Gowanus. This has included my office's efforts to support the formation and implementation of the Gowanus Rezoning Oversight Task Force, the first of its kind in a city-sponsored neighborhood rezoning, to oversee the POA and implementation of the City's commitments.

The Gowanus Business Relocation Grant Program is a key rezoning commitment, and I am grateful to SBS's work to build a program that responds to the needs of businesses impacted by the Gowanus Rezoning. The commitment was negotiated to mitigate the impacts of the rezoning on small businesses that make up the fabric of Gowanus, and to ensure that industrial businesses in particular can continue to thrive and retain good paying jobs in our City.

However, after conversations with the Gowanus Oversight Task Force, community based organizations and businesses, I am concerned that the draft rule for the program as currently outlined delineates too narrow a requirement for the businesses impacted by the rezoning to benefit, and will exclude industrial businesses, a key part of the business community in Gowanus.

The draft rule indicates that only businesses with a non-confirming use that is a direct result of the rezoning are eligible for the grant program. To ensure that the program supports businesses that are impacted by the rezoning, included by rent increases or other operational impacts, I recommend that the updated rule remove the non-confirming clause.

Additionally, as part of the Gowanus Rezoning public review process, the Department of City Planning drafted the IBZ Vision Plan to identify key needs and priorities of the industrial businesses in light of the



impacts of the rezoning. As a result of the City's commitment to supporting the IBZ during the rezoning process and the IBZ Vision Plan, several POAs, including the Gowanus Business Relocation Grant, were negotiated to support industrial businesses that were adjacent to but excluded from the rezoning area. It is critical that the IBZ be included in the Business Relocation Grant Program to ensure that industrial businesses who are impacted by the rezoning are not excluded from the City's efforts to address its impacts on the local business community.

Many thanks to SBS for your ongoing partnership and your commitment to a just, resilient, and equitable Gowanus.

Thank you,

Council Member Shahana Hanif, District 39



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November 19, 2024  
Re: Gowanus Small Business Relocation Grant Program

Dear Commissioner Gross and Department of Small Business Services staff,

SBIDC is a local economic development corporation and membership organization whose mission is to create equal opportunity for the people, businesses, and community of Southwest Brooklyn. We provide free services to over 1,500 small industrial and manufacturing businesses across Sunset Park, Gowanus and Red Hook, and help place 200 jobseekers in full-time industrial jobs every year through our Workforce1 Center. The views we express as an organization today are based on our work chairing the Economic and Workforce Development Committee of the Gowanus Oversight Task Force, our efforts advocating for a just Gowanus Neighborhood Rezoning as part of the Gowanus Neighborhood Coalition for Justice, and conversations with industrial businesses throughout the neighborhood.

We are heartened at the creation of a Gowanus Business Relocation Grant but fear that the text of this grant as proposed falls short of the spirit of the point of agreement (POA) negotiations associated with the Gowanus Neighborhood Rezoning. Specifically, we believe this grant text currently falls short on two aspects: (1) geography, and (2) reliance on non-conforming land use.

1. In its POA commitment, the City committed to the creation of a grant to “assist businesses that are directly displaced and need to adapt to changes in the neighborhood.” The text proposed considers the Gowanus neighborhood to only be the area encompassed by the rezoning itself and leaves out the vitally important Gowanus Industrial Business Zone (IBZ) just south of the rezoned portion. However, the Gowanus IBZ is a vital portion of this neighborhood, and its businesses have the potential to be affected by the changes wrought in the rezoning. This was demonstrated by the Department of City Planning undertaking the Gowanus IBZ Vision Plan in concurrence with the Gowanus Neighborhood Planning Study. Moreover, several commitments the City agreed to in the POAs pertained specifically to the IBZ (and commitments related NYCHA housing were also outside the strict boundaries of the rezoned area). During negotiations over this Business Grant, we believe that it was understood by the actors involved to also pertain to the IBZ, where the bulk of small industrial businesses are located.
2. In its POA commitment, the City defined a business as eligible for this grant if it met four criteria: (1) “Small Business Administration (SBA) definition of small business”; (2) “operating in the neighborhood at the time of the adoption of the rezoning”; (3) “can demonstrate direct business losses as a result of the rezoning (ex: manufacturing, etc.)”; and (4) “can present evidence of eligible relocation expenses incurred for reimbursement”. Within these four criteria, nothing is mentioned about the grant strictly being available to those businesses affected by the land use change. Particularly, considering changes made by the City of Yes for Economic Opportunity which allowed for greater mixed use and more light industrial uses in commercial corridors, the pool of eligible businesses with subsequent non-conforming use does not fully encompass potential impacts. The intent of this grant was to provide relocation funding should a business be displaced due to the rezoning, which would be caused by rent increases or operational difficulties brought by changing area users, not by direct land use change (a non-conforming use allows grandfathered businesses to stay in their location). Looking to the success of

the Greenpoint-Williamsburg Relocation Program as precedent, there was no requirement for an eligible business to have been non-conforming. This prior SBS grant was administered simply on the basis of a business moving out of the eligible area.

For these reasons, we ask that the proposed text of the Gowanus Small Business Relocation Grant Program be changed to make small businesses eligible both in the rezoned area and the abutting Gowanus IBZ, and that the stipulation requiring a business to have become “non-conforming according to the zoning district designations adopted November 23, 2021” be removed.

Please reach out with questions to Jesse Solomon: [jsolomon@sbidc.org](mailto:jsolomon@sbidc.org) or 718-965-3100 ext. 114

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Solomon', with a stylized flourish at the end.

Jesse Solomon  
Executive Director, SBIDC  
718-965-3100 ext. 114