

**August 24, 2021 - Minutes: CB7 Economic Development/Waterfront Committee**  
<https://www.youtube.com/watch?v=oEy0NS5Jif4>

Danny M - Meeting on Banco Popular (Popular Bank) on a request to the state for a banking development district - this allows the bank to hold funds from the state and in turn, the community shall receive benefits

[Chris Casey from the bank starts the presentation](#)

- The presentation concerns the Banking Development District Designation
- Introductions of the bank staffers on the call

[John Funaro from the bank presents](#)

- Provides history of the corporation; started in 1960 in NYC in the Bronx
- HQ in San Juan, PR
- Assets of \$67 billion, and other statistics concerning the bank

[Chris Casey](#)

- BDD - program by the state to encourage banks in specific areas
- Banks that get this funding have goals; provide multilingual financial education for consumers and small businesses; more access; increase local lending and financial support
- The state provides a low rate deposit of \$10 mil, usually matched by NYC by \$10 mil, on an annual basis
- The goals are reviewed every year; we have to provide detailed information on our work on what the bank did and who the bank worked with and helped, on programming, loans given, etc.

[Mervin C](#) from the bank discusses district goals

- Goal is to provide Spanish and English financial education
- Providing access to personal and small business loans
- Increasing consumer and small business lending
- Credit builder program
- \$750,000 in new mortgage loans, \$300,000 in small business loans within the district
- Partner with local organizations and non-for-profits; participate in community events, volunteer our time, and communicate products and services to the community

[Lesbia - branch manager](#)

- We want to provide the community to be better informed about products and services
- We have to put certain steps in place; financial education; partnerships with local organizations; I have been working with Children of the City, I have been in contact with David Estrada at Sunset Park BID; we want to facilitate workshops on mortgages, saving for kids, opening a checking account, building credit as an individual and as a business owner

### John Funaro

- We would work with you and collaborate with CB7
- Educate people in the community
- Help the underbanked become banked and improve credit ratings so that as the area begins to gentrify, people are not displaced and moved out

### Christopher Casey

- We have partnerships now, and we want your recommendations for other partnerships

John Funaro - the BDD would be for the Sunset Park East location - that is defined as from the Greenwood Cemetery to 52nd Street; from 5th Ave. to Fort Hamilton Parkway

Yulitza Franklin - there is another BDD west of 3rd; we are applying for the one previously served by Amalgamated ([map of the BDD](#))

### Products and services

- Chris C - a key product is credit builder
- Lesbia - this is designed to help customers to build or establish credit; does not require money to be injected into the account initially, doesn't involve fees; it's like a savings account that helps you build credit; review of how the product works...

### Questions and Answers

- Danny M - \$20 mil in deposits; how much does the Branch hold now? How much is retail deposits? (Lesbia - now, the branch has \$42 million, consumer and business; Chris C says all numbers will be in the application)
- Pat Ruiz - question about supporting local organizations; do you sponsor festivals? Are you accepting IDNYC as a form of identification? (Chris C - sponsoring from the branch or the bank overall; contact the branch manager first for sponsorship, and discussion of the application process); Pat says she stopped asking for sponsorship from your branch because I was directed to the website (discussion concerning the bank's Foundation - that's what the website application is about); Pat says she will reapply; forms of ID to open accounts? (Mervin and Lesbia - we accept NYCID, but you need a secondary form of ID such as credit card or another ID like Medicare or Medicaid card)
- Nick A - The city gives you \$20 mil in deposits and then you do the program? (Answer: keep branches in areas or encourage branches to open, and the city wants to see more activity; it compensates for lower deposits in the area); lending - the loan sizes - loans totalling \$750,000 in residential mortgages (Answer: that was a number based on the last two years); Nick says that's loans for 2-3 people assuming a 20 percent down payment, and \$300,000 in small business, that goes quickly; question about how credit builder works and how it builds credit (discussion of how the program works to build credit); average increase in credit score? (Lesbia - everybody is different, but my mom went to a great credit score in three years; you have to make sure you deposit money on time every month)

- John D - have you reached out to BPL? (we will); do you have a meeting room in the branch? (The new location will, the branch is relocating, 4502 5th Ave. is the new location); does the size of deposits affect branch staffing? (we base staffing on volumes in the branch as well as other factors); people often use check cashing in the neighborhood; do people get free checking accounts? (the state requires us to offer a \$4 per month fee checking account; minimal cost to the customer, it's cheaper than check cashing, but no free product; we would be open to working with groups you think would be good to provide financial education to)
- John S - services available to undocumented people? (financial literacy, don't have to be an account holder or documented; Lesbia - our services are available to anyone with a passport or a tax ID number, they can open an account and we will help them, we do offer products to undocumented people); to get a copy of the application? (the state agency, the BDD, we can provide presentations on our results in the future); information in the future? (provided to state BDD, and summaries will be provided to the community); how are goals established? (in conjunction with the community and government agencies and officials); can the levels in the application be changed? (yes, it can be changed based on local feedback); you have to renew every year? (yes, and numbers will be based on the previous year's results); do you have information on your record in other communities? (we have four BDD branches in NYC; we can do a summary and tell you more; Delancy; East Tremont and 116th in East Harlem);
- Dan M - reapplication each year, for the same \$10 mil from the state/city? (to keep the deposit, to retain the deposit, we pay low interest on it to the state and the city)
- Cynthia V - would other banks be able to have a BDD within this zone, for the benefit of other communities like the Chinese community? (this designation is just for our bank; but we have some people who speak Mandarin in the bank; we can have overlapping BDDs, that is allowed if there is a need); it strikes me that there is a sizeable Chinese community in the zone, but I didn't see that there would be support services in those languages for residents and businesses; and so local organizations have to be located in the zone to participate in a workshop? (typically, we can provide services across the periphery, but our data is based on what we have done within the borders of the zone; if we go outside the zone if there is a need, but our requirements apply to the zone); Reach out to the Chinese community, such as the Brooklyn Chinese American Organization
- Danny M - do you have to go through the whole application again every year (no, not annually); if we stipulated that the bank had to come back to the Board every year to talk about their work, could that be done? (yes, that's something all communities do; the institute reports to the state on an annual basis; we provide annual feedback; after four years, an institution must request a continuation; one of four outcomes - renewal or renewal with recommendations, or probation, if recommendations not addressed, and if not renewed, then we can take back the deposits; we encourage communities to be active; we could put a requirement to come back to CB7 as part of the bank's goal - something it would have to do; the bank could provide a quarterly update to the board as well)

- Danny M - it would be great to be updates on a regular basis; we would like mortgages to go to people in the communities, not just LLCs, that's how we know if it's a community asset, that's a kind of metric we would look for
- Cynthia G - question about the home equity line of credit and the related rates (variable rates depending on value and credit score)
- Pat R - do you have an ongoing community based organizations list that you work from; and you should come to CB7 meetings to learn about the community
- Maria R, attendee - underscore the comments on \$750,000 total in mortgages, especially when the area is starting at 5th and going east, that's where the highest real estate prices are; that number does not reflect the needs of the community when the purpose of the program is to engage and support low and moderate income members of the community; also, many young people, still in high school, they are working to support their families; I haven't seen a true effort to target those young people with credit booster information, for them to understand the importance of having a good credit score; will you have trainings and literacy programs targeted at that age group? And who has the BDD program for the rest of Sunset Park? (we can go out of the district; we partner with Junior Achievement; they do our financial literacy programming; we can go into schools, we can help kids check their credit, freecreditreport.com; kids would need access via their parents; we want to get kids to understand what is credit; we start with why credit is important, helping to establish yourself, not just about buying things; we partner with Bronx Community College to do programming, and we are open to others programming as well)

#### Committee discussion

- John D - we might want to encourage them to include products like a free checking account; spending \$48 per year on a checking account is expensive
- Danny M - approve with qualifications - we need evidence of success; the bank is already established, so we should feel free to ask for a lot and see what we get, within reason, like a significant increase in those mortgage and business loan numbers
- John S - provide information on their results, and quarterly reports; also, can these loans be encouraged to target nonprofits trying to produce affordable housing;
- Danny M - we could put together a list of what we want them to do, and they will come back to us and report their findings to the community board; we didn't get a clear answer from the state as to whether it can be codified; we can agree to send a resolution tonight, with qualifications pertaining to questions and concerns stated tonight
- Nick A - They are obligated to keep 2 million; if they are loaning \$18 million, they will bring in \$500,000; their programming isn't likely to cost that much; there should be a lot more outreach and benefit or it doesn't make sense for the city and state to invest money there; I would propose raising the residential mortgage limit to around 2-2.5 million, and the retail banking to 3-3.5 million; they can still lend it out; they should be encouraged to lend it out, rather than financing commercial real-estate or go outside the district
- Danny M - they could stipulate that their loans should not be given to corporations on the residential side

### Committee resolution

- Danny M - I want to ask the committee to vote on a recommendation to support the BDD with the qualifications that will come from tonight's meeting and any feedback between now and the next board meeting; the recommendations can be sent to me and Jeremy and the Committee members; we can have a discussion thread, hopefully not too long; all in favor, raise your hand (unanimous approval)

### Old business and new business

- John S - old business items - we passed two resolutions at the last meeting regarding Pier 6 and the MiNY North Campus (will be introduced in September)
- John S - in early June, the Board sent letters to three city agencies, EDC, MOME, SBS; the MOME response did not answer the question and denied the Board information that you can get via FOIL request; it has been more than two months;
- Danny M - we have another meeting in September (Parks Committee and Steiner Studios); we should invite MOME to that meeting, and we can ask them about the response to the letter; also, this is a lame-duck administration; not surprising that they have not responded robustly and clearly; I would suggest we send the letters to the new administration;
- John S - is it possible to resend the letters and ask them to have a response by Sep. 13;
- Danny M - resend the letter, invite the relevant agencies; invite EDC and MOME to the September meeting; this is a live meeting; we could say come to the meeting and then ask them about the letters; keep conversation at committee meetings relevant to the agenda and the agency;
- Jeremy - I can resend the letters based on the committee chair's approval (approved)
- John S - can we establish an email list for the committee - can we set that up to discuss agendas and committee business?
- Danny M - you are talking about a list-serve; you can start one, and keep Jeremy on it
- Jeremy - John doesn't have access to the Board Members' email addresses;
- Danny M - you can start a list-serve you are free to do so, it wouldn't be official committee business; Jeremy can send out a notice to Committee members, please contact him if you would like to be part of it, and people can join the list-serve if they want
- John S - my request is to establish a way to collectively discuss agendas for future meetings; it would help everyone feel involved in future meetings; a list-serve would help facilitate that;
- Danny M - it's a great idea, but it wouldn't be official; we are all volunteers here; getting emails is not so difficult; Jeremy can start the process and from there on it's an informal process, it's not board business