A (modest but critical) Rezoning Proposal for the 3rd & 4th Avenue Corridors

Change the C6-2A to C1-7A in order to:

- Prevent oversized commercial (hotel, office) development
- Reinforce residential character of predominantly residential area
- Encourage affordable housing retention and creation







The C6-2A zone encourages oversized commercial development in this predominantly residential area.

This results in the destruction of existing housing stock (much of it with long-term tenants and rent-regulated units), and a change in the character of the area with the addition of large hotels and office buildings.

It also forecloses the possibility of creating or preserving affordable housing in the area, which the C6-2A zoning was supposed to encourage. The C6-2A zoning has a bonus for preserving or creating affordable housing, but allows developers to get around that by building larger, purely commercial developments that have no affordable housing incentives.

Example: 112-120 East 11th Street.

Five 1890s tenements with almost 100 units of permanent housing, including rent-regulated units, were demolished to make way for a 300-room, 120 ft. tall 'Moxy' Hotel. This hotel chain is geared towards party-hopping millenials.

Current zoning allows larger as-of-right commercial development than residential development.



2016 2017 2018

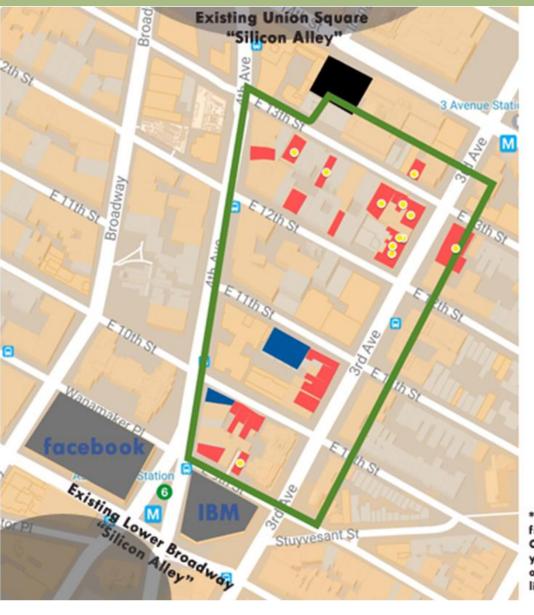
This provides a strong incentive for demolishing existing housing, sidestepping current affordable housing incentives, and building purely commercial buildings.

Under the proposed rezoning, these buildings would likely never have been demolished. <u>But had they been, under the proposed rezoning they would have been replaced with a residential building with up to 14,422 sq. ft. of affordable housing.</u>

This situation is quickly getting worse due to the expansion of the Tech industry's 'Silicon Alley' from Union Square and Astor Place into the area in between, including the 3rd and 4th Avenue corridors, since there are multiple additional potential development sites in the area.

Approval of the Tech Hub directly adjacent to this area on 14th Street will accelerate the trend of losing housing, forgoing affordable housing opportunities, and adding oversized commercial development in this area.

That is <u>UNLESS</u> the modest but critical requested zoning change is adopted for the area.



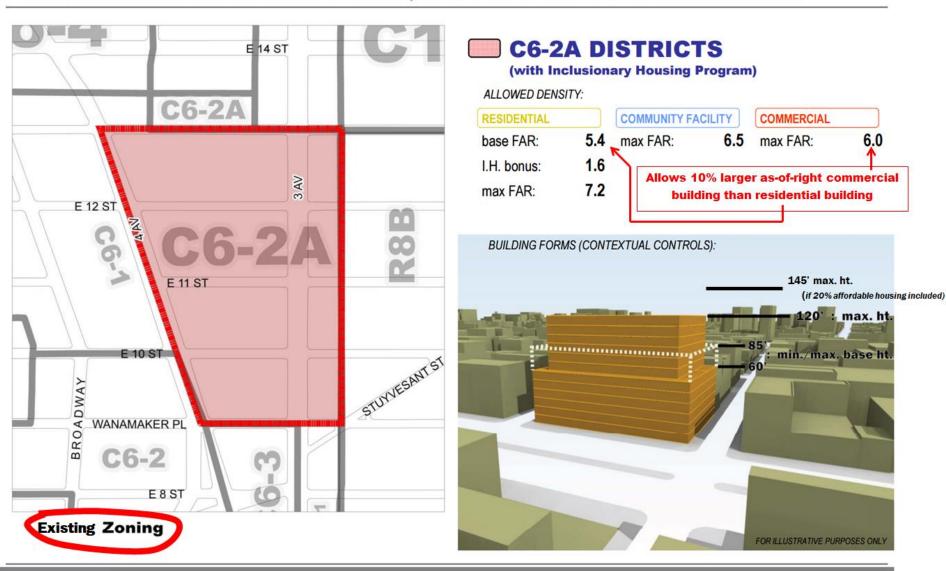
Tech Building BOOM

Looming in 3rd and 4th Ave Corridors

- Potential Development Sites
- Currently Under Development
- Existing Tech Locations
- Proposed Tech Hub
- —Area of Requested Rezoning
- Potential Development Sites with Record of Rent-Regulated Units*

*From www.nycrgb.org. "The buildings that will be listed have filed records with the New York State Division of Housing and Community Renewal at least one time from 1984 to the present year and may contain one or more regulated apartments. Inclusion on the list is not determinative of the building's current status. The list may not include all buildings that have rent regulated tenants."

SCHEMATIC BULK DIAGRAM, EXISTING C6-2A DISTRICT



Existing Third and Fourth Avenue Corridor Zoning

3rd/4th Avenues Rezoning Proposal

One simple and sensible change in allowable commercial FAR can protect this area

Zoning District	Residential FAR	Commercial FAR	Community Facility FAR	Streetwall Height	Height Limit After Setbacks
C6-2A (existing)	5.4 > 7.2 (Incl. <u>Hsng</u> .)	6.0	6.5	60-85 ft.	120 ft. > 145 ft. (Incl. Hsng.)
C1-7A (proposed)	5.4 > 7.2 (Incl. <u>Hsng</u> .)	2.0	6.5	60-85 ft.	120 ft. > 145 ft. (Incl. Hsng.)

- . 90% of lots in the proposed rezoning area have 2 FAR commercial or less, and thus conform with the proposed rezoning.
- . By bringing the maximum commercial FAR down to 2, it will ensure no large-scale commercial buildings are built in the area, only predominantly residential ones.
- For residential construction, the zoning provides a significant incentive to create new affordable housing or preserve
 existing affordable housing in immediate area. New residential developments in this zone have utilized this affordable
 housing provision.

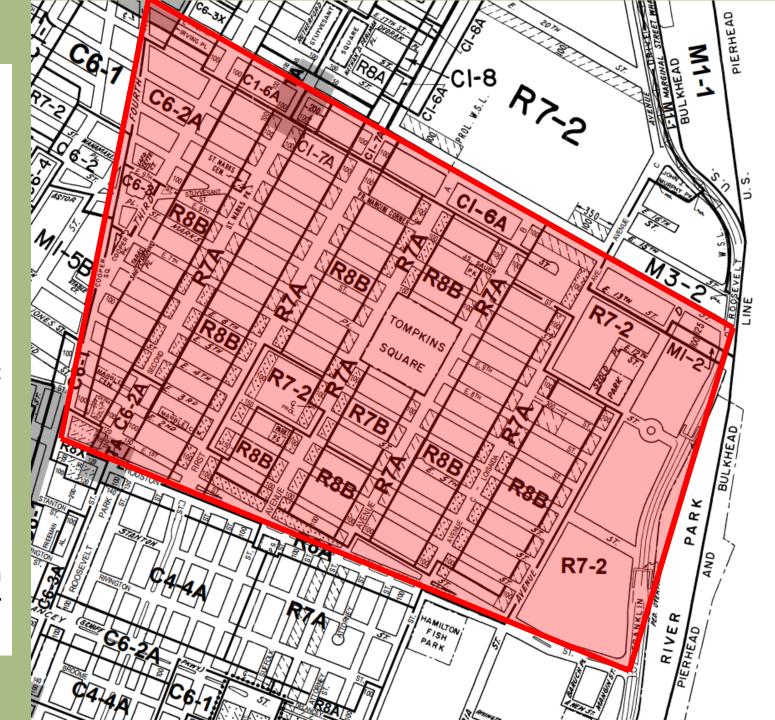
What and Where are C1-7 and C1-7A districts?

C1-6 through C1-9 districts are commercial districts that are predominantly residential in character. They are mapped along major thoroughfares in medium- and higher-density areas of the city. Typical retail uses include grocery stores, drug stores, small dry cleaners, restaurants, and local clothing stores that cater to the daily needs of the immediate neighborhood. In buildings with residential uses, commercial uses are limited to one or two floors and must always be located below the residential use.

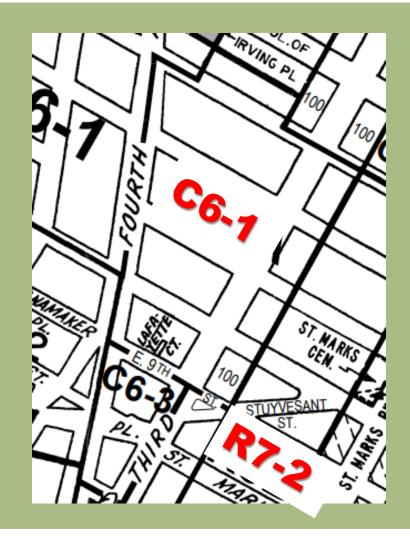


Within the East Village, the 3rd-4th Avenue corridor zoning is exceptional for the density of commercial development it allows.

Most of the East Village either allows no commercial development, or only allows commercial development on the ground floor or lower floors.



(and nearby related developments)



2005 – GVSHP asks DCP to rezone 3rd-4th Avenue

(and nearby related developments)



 2006 – Community Board #3 passes resolution in support of GVSHP rezoning request

(and nearby related developments)



• 2008 – City passes East Village/Lower East Side rezoning; does not include 3rd-4th Avenue, over the objections of GVSHP, CB #3, Councilmember Rosie Mendez

(and nearby related developments)



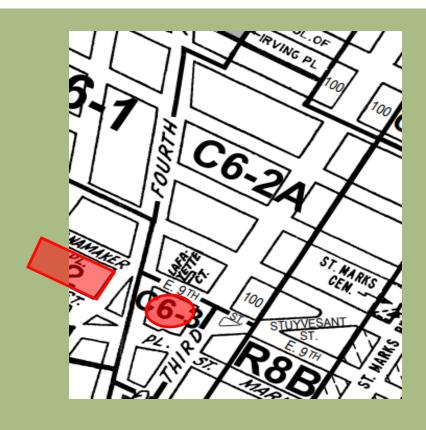
 2010 – City passes 3rd-4th Avenue rezoning which does not go as far as GVSHP, CB #3, and Councilmember Mendez asked, but is an improvement over existing zoning

(and nearby related developments)



• (2013 – 51 Astor Place is completed, housing IBM, among others)

(and nearby related developments)



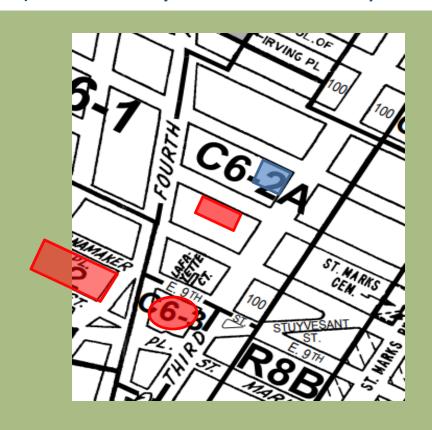
 (2014 – Facebook moves into its Frank Gehry-designed offices at 770 Broadway)

(and nearby related developments)



2014 – 138 E. 12th Street is completed, first ground-up building constructed under new zoning. Residential development with West Side Market in ground floor; off-site affordable housing in CB 3; public is generally satisfied

(and nearby related developments)



 2016 – Plans to replace five tenements on E. 11th St. with 300room hotel announced

(and nearby related developments)



• (2016 -- rapidly expanding tech sector fuels multiple new speculative developments along corridor's edge on Broadway btw. Union Sq. & Astor Pl; announcement of Mayor's 'Tech Hub' plan for 14th Street greatly stokes tech interest in area)

(and nearby related developments)



Early 2017 – GVSHP releases 3rd-4th Avenue rezoning proposal at standing room-only community meeting, identifying more than a dozen potential future development sites in area; CM Mendez + other elected officials, residents, + community groups express strong support; GVSHP asks for CB 3 support; City refuses to respond directly to proposal, but disparages plan in press

THE REAL DEAL New York



Union Square's building blitz

Developers pour cash into Manhattan's Silicon Alley as preservationists push back

By Dennis Lynch | June 01, 2017 10:00AM





Union Squar

Union Square — an already thriving slice of Manhattan — is getting an injection of new development. And the area, which gets an estimated 344,000 people passing through on a typical weekday, is also becoming significantly pricier. A slew of new projects, including Billy Macklowe's 52-unit condo tower at 21 East 12th Street, are poised to change the office and residential mix in the area, which real estate players say extends a half mile in each direction from the park. Those projects come as the city is also investing big in the area. In February, the de Blasio administration unveiled renderings of its proposed Union Square Tech Hub, a 258,000-square-foot building that, if approved, would replace the P.C. Richard & Son building in a high-profile 14th Street location on the south edge of the square. Meanwhile, in 2014, IBM's Watson Center moved into 51 Astor Place a few blocks south of Union Square, further cementing the neighborhood's Silicon Alley status. But not everyone is happy with this investment and development rally. Preservationists are getting louder, and City Council member Rosie Mendez, who represents the area, is calling for a "contextual rezoning," telling one news outlet that residents are "under great pressure by developers."

\$2.03B

The total dollar amount of real estate transactions, including building sales and development, in the Union Square area since May 2015. That includes the \$209 million purchase of 114 Fifth in October 2015, the priciest property sale during the time stretch.



27

The number of major tech, advertising, media and information — aka TAMI — office tenants in the Union

Square area. Those companies, which are growing in ranks, already include Facebook, Hulu, StreetEasy, BuzzFeed and eBay.

\$16.5M

The in-contract price for the most expensive pad at Macklowe's 12th Street project. The Annabelle Selldorf-designed building, which the developer has had in the works since 2012, replaces a retail stretch that included the trendy bowling alley Bowlmor Lanes. Asking prices start at \$2.4 million.



145

The maximum height that preservationists want for new buildings around Union Square. But several in-progress projects already exceed that limit, including a 14-story commercial project at 827 Broadway, a 15-story mixed-use tower at 809 Broadway and Macklowe's 23-story tower.

\$250M

The estimated cost of the Union Square Tech Hub (rendering pictured), which City Hall claims will create 600 jobs "in the tech ecosystem." That will add to the 22,500-plus tech jobs in the Union Square area — the most of any sector in the neighborhood, including retail.

\$22M

The price that Ranger Properties paid in 2015 for a pair of buildings at the corner of East 13th Street and University Place. The developer demolished the buildings, one of which housed the University Deli, and is constructing a seven-story luxury condo where prices start at \$6 million.



\$2,347

The increase in median rent in the Union Square area since 2008. Residential rents have jumped to \$3,700 from \$1,353 in the nine-year period.

35M

The number of passengers who pass through the 14th Street/Union Square subway station each year. That number will likely drop dramatically during the 15-month shutdown of the L train in Manhattan.



Experts Agree

long blocks with no active uses, or other barriers

gated developments, dead-end streets, railroad tracks, excessivel

Advancing a new wave of urban competitiveness:

The role of mayors in the rise of innovation districts

June 2017

Hubs with some degree of density and mixing to create a highly networked and "buzzing" innovation community. This evaluates the hub's ability to create a mix of residential and commercial buildings, ground-floor activity, public markets, cultural amenities, public spaces,

ground-floor activity, public markets, cultural amenities, public spaces and other uses that connect people to one another (as determined by zoning and how uses are currently mixing on the ground).

10. Get ahead of affordability issues. Successful districts can, over time, drive up market pressures, impacting the ability of start-ups, maturing firms, and neighboring residents to remain in these areas. Smart districts respond early, getting ahead of the curve through a range of policy moves and strategic projects that preserve affordability and the diversity it engenders.



BROOKINGS

advocating for increased and renewed funding for affo

 Implement a "No Net Loss" policy at the city level to require all affordable units lost through renovation, conversion, or demolition

Planning and tech

Planning for the growth of the technology and advanced manufacturing sectors

Recommendations

To attract tech and AM firms

- Monitor the local economy using company registration data
- Employ a team to engage with the sector
- Ensure adequate housing and infrastructure capacity

Kendall Squar

Background: Now 30 years in the making, Kendall Square is a well-known Innovation District, having previously consisted of commuter car parks. Occupiers include Yahoo, Amazon, Microsoft and Google.

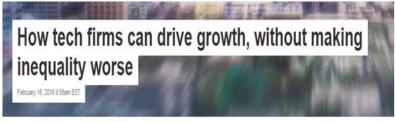
Successes: Massachusetts Institute of Technology (MIT) has been criticato I Kendall Square as it offers research and innovation credibility as well as recruitment appeal, which is important given the flow of graduates companies rely on Ryan Chin, Founder of a company who build self-driving cars, provided insight into why he located his offices here, describing "an 'ecosystem' providing opportunities for tech entrepreneurs to collaborate and inspire each other." Add to this the proximity of funding through venture capital firms and social opportunities such as 'Venture Cafes' and you have a opent mix.

Lessons learnt: The district includes public open spaces, entertainment, restaurants and coffee shops, yet homes are more of a challenge. The authorities appear to be facing similar housing supply challenges to knowledge cities in the UK, with an interprated housing strategy appearing to be secondary to commercial elements. This is a key lesson for the UK, as a community feel, embedded from the start, is essential. The local authority was considering new ways to such as applying a charge to new commercial development (per soft) to fund affordability retrospectively, such as applying a charge to new commercial development (per soft) to fund affordable housing elsewhere in the City. The challenge will therefore be one of proximity of housing to harness the opportunities of clustering.

Hackney Community College in London has <u>started an apprenticeship scheme</u> with local tech firms, to both grow the local skills base, and help meet the demands of the sector.

Another option is to collaborate with tech firms in urban regeneration projects. Tech firms and employees <u>display a preference</u> for easily accessible, walkable, multi-use districts. This provides a clear opportunity to reconfigure urban areas. In some cities, previously industrial districts are undergoing physical transformations, alongside economic ones. Well planned regeneration projects will make use of consultations to involve the views of the local community. This is a crucial part of the process, in order to avoid displacing local residents and businesses.

Finally, local governments can employ a team to engage with the sector. In order to attract



from www.shutterstock.com

Community Board #3 Resolution December, 2015 via Economic Development Committee

Guidelines to Accompany the 124 East 14th Street Request for Proposals by EDC

WHEREAS, the NYC Economic Development Corporation (NYC EDC) released a Request for Proposals (RFP) for the PC Richard & Son site on 14th Street on November 5, 2015, for which proposals are due on February 26, 2016, and

WHEREAS, the site is not built to the full extent of what is allowable under existing zoning, and that site is currently occupied by PC Richard & Son, which has a lease that expires on February 26, 2016, and

WHEREAS, the RFP seeks proposals that, among other things, "support the development of 21st century workforce skills, create high density of jobs per foot, and/or propose the formation of next generation companies and industries in the City," and

WHEREAS, Community Board 3 (CB 3) has long advocated for a strong local economy that is diverse, affordable, supportive of independent small businesses, and reflective of this residential community, and

WHEREAS, while CB 3 strongly supports modern job creation within the District, CB 3 is disappointed that it was not afforded an opportunity to advise on the RFP before it was drafted and released, especially since there is precedent for successful collaboration between CB 3 and NYC EDC, so

THEREFORE, BE IT RESOLVED, that with regard to any retail use on site CB3 supports a diverse mix of uses on-site, CB 3 will not support a chain store being situated on site unless it is that of the existing business (PC Richard & Son), will not support an eating or drinking establishment serving alcohol being situated on site due to an over-proliferation of such uses in the District, and will only support retail that is affordable to the local community, so

THEREFORE, BE IT FURTHER RESOLVED, that with regard to any housing on site, CB 3 will only support proposals for housing that are 100% permanently affordable, and in absolutely no instance will CB 3 support a dormitory at the site, so

THEREFORE, BE IT FURTHER RESOLVED, that CB 3 strongly supports a required prevailing wage for all jobs on site, and urges Proposers and NYC EDC to collaborate with the Lower East Side Employment Network (LESEN) when hiring for permanent jobs, so

FINALLY, THEREFORE BE IT FURTHER RESOLVED, that CB 3 strongly requests that NYC EDC make all proposers aware of CB 3's position on the RFP by referring them to the CB 3 website as soon as possible before the RFP due date.



City Council District 2 Candidate Questionnaire Candidate name: Carlina Rivera

1. Do you support the proposed rezoning of the University Place/Broadway and 3rd/4th Avenue Corridors put forward by GVSHP and City Councilmember Rosie Mendez which Mayor de Blasio and the Department of City Planning have thus far opposed? If not, why?

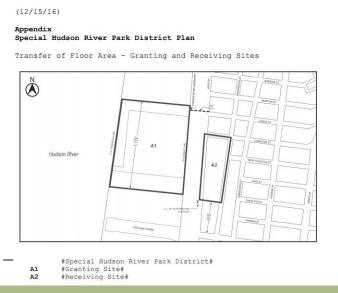
Yes, I support the proposal to rezone University Place/Broadway, as well as the 3rd/4th Avenue Corridors. A contextual rezoning that spans Third to Fifth Avenues from 8th Street & Astor Place to 14th Street is desperately needed to stop the proliferation of commercial out of scale development that is currently taking place. I believe that the Bowlmor Development Site is proof that a rezoning is needed since the out-of-context and over-scaled building that is currently going up actually could have been taller under the existing zoning. Furthermore, the current zoning incentivizes commercial development and that threatens our existing residential buildings. The proposal to lower the commercial FAR to 2.0 would dissuade such speculation, stabilize the residential housing and preserve existing residential units.

2. The City is proposing a Tech Hub for 124 East 14th Street. Whatever the merits of the proposed project, under current conditions it is extremely likely this project will accelerate the extension of "Silicon Alley" south from Union Square down to Astor Place, and through the University Place/Broadway/3rd Avenue/4th Avenue corridors, vastly increasing pressure for out-of-scale and commercial development in this largely residential area. Community groups and Councilmember Mendez have said that the City should be required to approve the proposed zoning protections for the University Place to 3rd Avenue corridors in order to get City Council approval for the Tech Hub. Would you be willing to use your leverage as a City Councilmember to condition your support for the Tech Hub upon the city approving zoning protections for the adjacent residential area? If not, why?

Since the NYC Council has to vote to approve or disapprove any ULURP (Uniform Land Use Reform Procedures) matters and other Councilmembers have successfully negotiated zoning changes and benefits for their district in exchange for the support of a Mayoral Administration project, then I would use my leverage as Councilwoman to condition my support for the Tech Hub upon the city approving zoning protection for the adjacent residential area. While I understand that the TechHub will bring valuable training and job opportunities to the district, without the needed zoning protections for the neighborhood, it would lead to acceleration in out of scale development for the surrounding residential neighborhood. The district deserves both a contextual rezoning and job development, and the Administration can make that happen.

December 2016 – Pier 40/St. John's Terminal/Hudson River Park ULURP

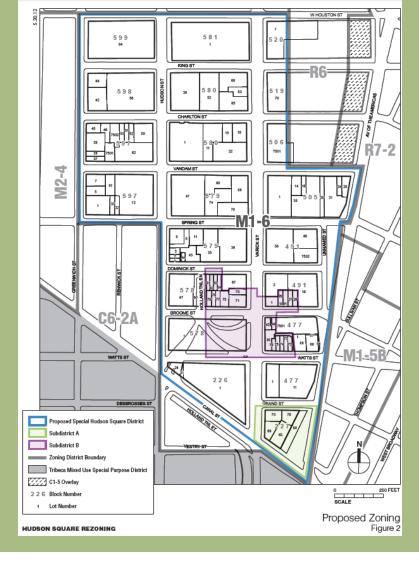




Local Councilmember, Community Board, and community groups (GVSHP) successfully secured as condition of agreement:

- Landmark protections for adjacent area
- Zoning protections for adjacent area
- Changes to planned development to prohibit big-box stores and destination retail

May 2013 – Hudson Square Rezoning



Local Councilmember, Community Board, and community groups (GVSHP) successfully secured as condition of agreement:

Landmark protections for adjacent area

What we're seeking from Community Board #3:

- Resolution in support of proposed 3rd-4th Avenue Rezoning AS SOON AS POSSIBLE (well in advance of Tech Hub ULURP process beginning).
- Language which acknowledges that a potential Tech
 Hub on 14th Street could exacerbate the development
 problems in this area under the existing zoning.
- The necessity of having such zoning changes in place or concurrent with any approval for the Tech Hub because of the impact it would have.

Appendix: Proposed University Place/Broadway Corridor Rezoning

(endorsed by Community Board #2, CM Mendez, BP Brewer, State Senators Hoylman and Krueger, and Assemblymember Glick)



University Place/Broadway Rezoning Proposal

(after ZQA)

	Zoning District	Residential FAR	Commercial FAR	Community Facility FAR	Streetwall Height	Height Limit After Setbacks
Existing	C1-7	up to 6.02	2.0	6.5	none	none
Zoning	C6-1	up to 3.44	6.0 + up to 20% plaza bonus	6.5 + up to 20% plaza bonus	none	none
	R7-2	up to 3.44	0	6.5	none	none
Proposed	C1-7A (with incl. housing)	5.4 (7.2)	2.0	6.5	60-85 ft.	120 ft. (145 ft.)
Zoning	C4-4A (with incl. housing)	3.45 (4.6)	4.0	4.0	40-65 ft.	80 ft. (95 ft.)
	R7-A (with incl. housing)	3.45 (4.6)	0	4.0	40-65 ft.	80 ft. (95 ft.)