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Gale A. Brewer, Borough President

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**Recommendation on ULURP Application
C 200102 ZMM and N 200107 ZRM– Union Square South Hotel Special Permit
By New York City Department of City Planning**

PROPOSED ACTION

New York City Department of City Planning (DCP) seeks multiple land use actions to facilitate the extension of the existing Special Union Square District (SUSD) to include a new sub-district to the south of Union Square (Sub-district B, also referred to herein as the Project Area). The existing Union Square Special District would become Sub-district A. Within the proposed Sub-district B, new hotel development, conversions, or enlargements would require a City Planning Commission special permit. The purpose of this application is to ensure that future hotel development supports the varying contexts of the mixed-use neighborhood south of Union Square.

BACKGROUND

According to DCP, in 1961, the Project Area was mapped predominately as a C6-1 district, with a portion of University Place mapped as a C1-7 district.

In November 1984, the City Planning Commission approved the creation of the Special Union Square District (C 841005 ZMM). Prior to approval, land use surrounding Union Square was predominantly commercial, consisting of office buildings with ground floor retail. Residential uses were sparse, with only three residential buildings fronting on the Square. In response to these issues, DCP proposed creating the special district and increasing density to encourage the development of mixed residential and commercial buildings on underutilized or vacant lots. Specifically, while the zoning map amendment from a C6-1 to a C6-4 district increased the overall allowable Floor Area Ratio (FAR) to 10, a provision of the special district limited commercial FAR to 6 while maintaining residential FAR at 10. One of the goals of the creation of this special district was to encourage more residential use and promote the creation of new dwelling units.

In October 1995, a DCP-led zoning map amendment further sought to promote the area's residential character by approving a contextual rezoning along the East 14th Street corridor (C 950443 ZMM). From roughly Irving Place to Avenue B, the City enacted zoning changes that increased residential and community facility densities while maintaining the existing commercial densities. This rezoning increased the allowable residential FAR from 3.44 to 6 while

maintaining the community facility FAR at 6.5 and commercial FAR at 2. According to DCP, this rezoning sought to increase the area's residential capacity, thereby encouraging the transformation of underutilized lots into additional dwelling units that would balance housing affordability and further reinforce the area's retail context.

In September 2010, DCP proposed another zoning map amendment that encouraged the development of residential uses, located to the southeast of the park. From East 9th Street to East 13th Street between Third and Fourth Avenues, the CPC approved a zoning map amendment from a CG-1 to a C6-2A, extending the zoning district that was mapped in October 1995 (C 100420 ZMM). Along with this rezoning, the CPC approved a text amendment to include the Inclusionary Housing program in the rezoning (N 100419 ZRM). These actions were meant to increase residential capacity of the neighborhood by combining an increase in the allowable residential FAR from 3.44 to 6, and maintenance of the allowable density for other uses with an incentive that allowed for an additional increase in residential FAR to 7.2 if the development provided affordable housing. In keeping the commercial designation of the area, the rezoning allowed for the continued development of the area as a mixed-use district but placed more emphasis on promoting residential uses.

According to DCP, the area has also been subject to the following land use actions: 21 East 12th Street Parking Garage (C 180069 ZSM); 3rd Avenue Corridor Rezoning and Text Amendment (C 100420 ZMM); East Village/Lower East Side Rezoning (C 080397(A) ZMM); Cooper Union General Large-Scale Development and Rezoning (020499(A) ZSM); 52-82 East 14th Street (N 970152 ZCM); East 14th Street Rezoning (C 950443 ZMM); and more recently, in 2018, an application for a new technology-focused office and retail space which would also provide free and low-cost technology training to New Yorkers (Tech Hub) was approved adjacent to the Project Area (C 180203 ZSM).

Site Description

The Project Area is approximately 25 square blocks generally bound by East 14th Street on the north, Third Avenue to the east, East 9th Street to the south, and Fifth Avenue to the west. The Project Area is located within Manhattan Community Districts 2, 3, and 5. The existing SUSD is characterized as high-rise residential and commercial buildings ranging between 17 and 26 stories. The Project Area is more varied in its building stock, with buildings ranging between 1 and 26 stories, with mostly one and two-family walkups and mid-rise multifamily elevator buildings on the mid-blocks.

Area Context

The area is well-served by mass transit, including subway and bus routes. The 14 Street-Union Square subway hub is an ADA-accessible station located at the north edge of the Project Area and is served by the L, N, Q, R, W, 4, 5, and 6 subway lines. The Astor Place subway station is located to the south of the Project Area and is served by the 6 line. The nearby 8th Street subway station is served by the R and W lines. The Project Area also is served by the M1, M2, M3, and M8 bus lines and is in close proximity to the M14A SBS, M14D SBS, and M55 bus lines.

Proposed Actions

DCP is proposing a zoning map amendment to extend the SUSD, creating Sub-district A, which would comprise the boundaries of the existing special district and Sub-district B, which would consist of the extended area south of Union Square. Within Sub-district B, DCP is also proposing a zoning text amendment to establish a special permit for new hotel development. Any future hotel development within the Project Area would be subject to a special permit requiring a Uniform Land Use Review Procedure (ULURP) in which the community, the City Planning Commission, and elected officials would assess the appropriateness of such development based on the criteria that they do not impair the essential character, future development or utilization of neighborhood.

The use and bulk of sites within Sub-district B would continue to be governed by the underlying zoning districts, which would remain unchanged. The existing zoning regulations of the special district would continue to apply to Sub-district A, following adoption of the zoning map and zoning text amendment. There would be no changes to the existing zoning regulations in Sub-district A.

COMMUNITY BOARD RECOMMENDATIONS

Community Board 2, in a resolution dated November 21, 2019, recommended denial of the ULURP application unless the City implements changes that would protect the low-to-mid-rise scale and residential character of the area and implement protections for buildings that have been identified as having architectural and historic significance. Their resolution passed unanimously with 39 members voting.

Community Board 3, in a resolution dated November 26, 2019, voted to disapprove the ULURP application unless: the EAS is revised to include 88 East 10th Street and accounts for all designated sites on the State and National Register of Historic Places within the proposed Special District area, downzone Third and Fourth Avenues between 9th Street and 14th Street; specify that the Landmark Preservation Commission work with CB3 to identify potential individual landmarks to preserve historic properties; and specify that DCP develop a more stringent set of City Planning Commission findings as a requirement of the proposed special permit for hotel development. Their resolution passed, with 37 members voting “yes” and 1 “no” vote.

Community Board 5, in a letter dated December 11, 2019, acknowledges that as the proposed zoning changes only impacts three lots within their district, they defer to Community Boards 2 and 3 and support their positions.

BOROUGH PRESIDENT’S COMMENTS

The Special Union Square District was designated in 1984 to promote a revitalized mixed-use area around Union Square Park by providing ground floor retail space and improved access, visibility and security at the park. DCP proposed creating the special district and increasing density to encourage the development of mixed residential and commercial buildings on underutilized or vacant lots. Development has occurred since the SUSD was created and there are very few underutilized or vacant lots left. A significant portion of the buildings within the existing special district are characterized as high-rise residential and commercial buildings ranging between 17 and 26 stories. Within the existing SUSD, there appear to be only two residential buildings that contain rent-stabilized units. While the goals of the Special District appear to have been achieved, it did not result in significant amounts of rent regulated housing stock.

The buildings that would be included in this extension, of which many are low- and mid-rise residential buildings, do not share characteristics with those in the existing district. Several of them have been identified by local historic preservation groups to have historic significance to the area. There appear to be over 30 buildings within the Project Area that contain rent-stabilized units¹.

There was strong community outcry when the Moxy Hotel, located on 11th Street between Third and Fourth Avenues, was developed, as several tenements with rent regulated units were lost as a result of this development. While this is an example of hotel development resulting in displacement, it is not the only way in which rent stabilized units have been lost in in this area or city-wide. Other pressures include large scale office development as well as luxury and market-rate housing development which provides limited benefit to the community and threatens existing rent regulated housing stock.

There are presently 1,467 hotel rooms within a ¼ mile radius of the existing SUSD and Project Area. This may or may not sufficiently serve the area as it does not seem that any market study was performed by DCP to indicate that there is an anticipated hotel development boom targeted for this area that would warrant this land use action. Restricting hotels is only a partial solution. We cannot determine that it would be a useful strategy, as the findings required for the special permit are vague. We do not understand how effective it would be to evaluate whether or not a hotel may impair the essential character, future development or utilization of the neighborhood, when there is very little effort being made to protect the essential character of that neighborhood.

We have received hundreds of emails from concerned residents who feel this extension of the Special Union Square District will encourage expansion of commercial development to an area of Greenwich Village and East Village that is still largely residential. Our feeling that it does not provide any protection to the existing residential stock, of which a significant amount is rent regulated. While hotel development would be restricted, other commercial development would not be subject to additional regulation. DCP’s own environmental analysis concludes that office

¹ <https://beta.nyc/products/tenants-map/>

buildings in lieu of hotels would likely result on sites they have identified as underbuilt if this land use action is approved.

We need a stronger approach to achieve the goals of preserving the essential character of these neighborhoods, protecting historic sites, and allowing for contextually appropriate commercial development. This requires a more holistic approach that does not only restrict potential hotel development. DCP should work with the community to develop a more comprehensive plan to address its needs.

BOROUGH PRESIDENT’S RECOMMENDATION

Therefore, the Manhattan Borough President recommends disapproval of ULURP Application Nos. C 200107 ZMM and N 200107 ZRM unless:

1. More stringent findings are required of the proposed special permit;
2. Additional zoning measures are taken to address the community’s concerns about increasing commercial development pressures; and
3. Landmarks Preservation Commission works with the community to identify potential individual landmarks and properties of historic significance in order to preserve them

A handwritten signature in black ink that reads "Gale A. Brewer". The signature is written in a cursive, flowing style.

Gale A. Brewer
Manhattan Borough President