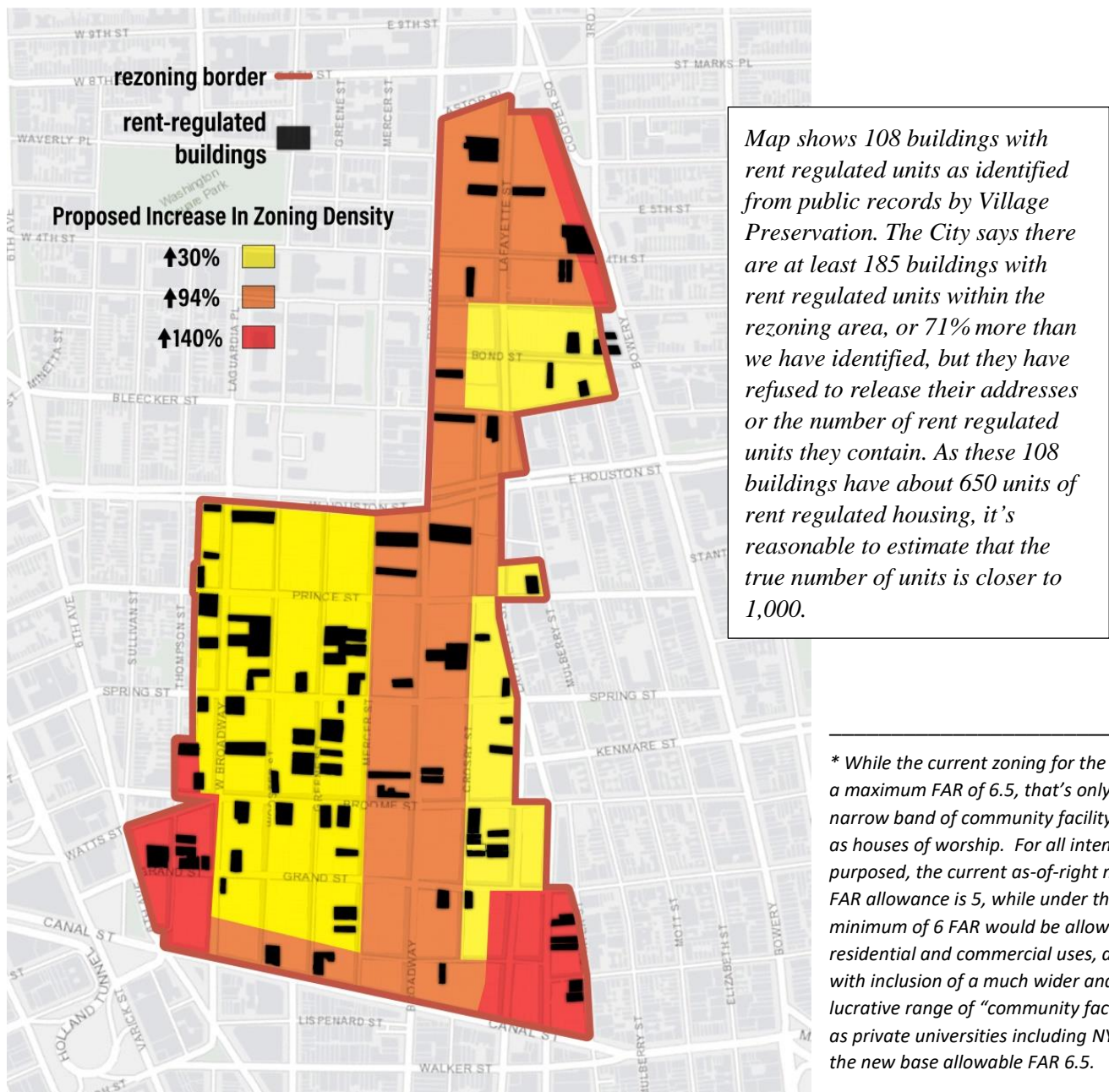


Mapping the Incentive to Demolish

Currently there is little or no incentive to demolish rent regulated or loft law housing in the SoHo/NoHo/Chinatown rezoning area. Since almost all of it is located in 4-7 story buildings, current rules wouldn't allow these buildings to be replaced with substantially larger ones. While some unscrupulous landlords will try to get rent regulated or loft law tenants out, their only current incentive to do so is to capture their unit for unregulated use – which is financially appealing, but balanced by the time, expense, and difficulty which often comes from trying to remove such tenants.

Under the proposed rezoning, this will all change.

The City's plan allows a minimum of a 30% increase in the allowable FAR for new development vs. the current 5*, to 6.5, and up to 9.7 and 12 FAR, significantly increasing the allowable size of new development. This means virtually every building with rent regulated units will be underbuilt under the rezoning, many significantly so (some will be 1/3 the size of allowable new development or less).



This will create tremendous incentive to seek to remove rent regulated tenants from their homes, so buildings can be demolished and the rent regulated units permanently eliminated.

The City claims this won't happen because:

- Many of the units are located in landmarked areas
- Rent regulated and loft law tenants enjoy certain legal protections, strengthened in 2019
- Some of the buildings won't be 50% underbuilt.

However, these arguments are utterly faulty because:

- The Landmarks Preservation Commission routinely allows demolition of all but the facades of buildings, which is sufficient under DHCR rules to qualify as "demolition" of rent regulated units and to permanently remove them from the rent regulation system.
- Rent regulations were indeed strengthened in 2019, reducing or removing most means for eliminating rent regulated units EXCEPT by demolition, which remains allowable. Protections for rent regulated tenants do not prevent them from being harassed, intimidated, or bought out of their leases, resulting in the loss of what would otherwise be permanently affordable housing.
- In the rezoning areas where 9.7 and 12 FAR are allowed, which is more than half the rezoning, virtually every building with rent regulated units will be significantly underbuilt. Even in the 6.5 FAR zone, nearly all buildings with rent regulated units will be underbuilt, some significantly so (some have FARs as low as 3 or less). In very strong real estate markets like SoHo/NoHo, buildings (including buildings with rent regulated units) are commonly demolished even when they are underbuilt by less than 50%.

The City's rezoning plan completely fails to account for the vastly increased incentives it will create to demolish and destroy affordable rent-regulated housing, and the losses and displacement it will result in.

There is no available data on the income levels for households in these units. But given the price of market rate units in this area, and the fact that about 1/3 of the households in the rezoning area have incomes below the median for NYC, it's reasonable to assume that lower income households are disproportionately located in the rent regulated units the rezoning would endanger.

Example of building with rent regulated units in proposed rezoning area



-- (l.) Allowable size of new development under existing zoning and (r.) under proposed rezoning

202 Hester Street

(l.) Built FAR: 4.5 Currently

Allowable FAR: 5 -- little incentive to demolish

(r.) Allowable FAR under City Upzoning plan: 12 – strong incentive to demolish

