



**Public Hearing on Mayor de Blasio's proposed SoHo/NoHo upzoning  
New York City Planning Commission  
Thursday, September 2, 2021**

**Testimony by Michael McKee, Treasurer**

Thank you for the opportunity to testify about this important issue.

I want to begin by stating unequivocally that Tenants PAC believes that all neighborhoods in the five boroughs of New York City, including more affluent communities, need to accommodate greater density to increase the supply of affordable housing. If this proposal by the de Blasio administration were truly designed to accomplish that in SoHo and NoHo, we would support it.

But this plan is a genuine wolf in sheep's clothing. Far from producing truly affordable housing, the plan in a nutshell is a gift to private, profit-making real estate developers that, if enacted, will result in displacement of long-term residents and the loss of existing affordable housing, along with other negative effects.

There are many things wrong with this plan. But I want to focus my limited time at this public hearing on the threat that the plan represents to tenants living in apartments that are subject to rent control or rent stabilization, and tenants in Loft Law units that have not yet transitioned to rent stabilization, as well as threats to the rent-regulated housing stock itself.

According to the City Planning Commission, there are 185 buildings in the SoHo/NoHo rezoning area with rent-regulated apartments. Through research and legwork, Village Preservation has identified 108 of these buildings, containing roughly 650 apartments. But the City Planning Commission is refusing to release the complete list of addresses and the number of units, so it is reasonable to conclude that the actual number of rent-regulated units in the 185 buildings within the rezoning area is closer to 1,000.

Under current rules, there is little incentive to demolish these buildings, all of them low rise, because the replacement buildings could not be substantially larger. But Bill de Blasio's plan would upzone all of them, by 30 percent in some parts of the rezoning area, by 94 percent in other parts, and by 140 percent elsewhere. This would put a target on the backs of these tenants and these apartments and would inevitably lead to displacement of the long-term residents and loss of the affordable housing.

Any increase in FAR at these addresses will lead to disaster. If a rezoning plan for SoHo/NoHo is going to be adopted, these buildings should be demapped – no increase in FAR. This would make for a complicated map, but it would be the only way to protect the rent-regulated housing stock and the people who live in it.

Two years ago, the New York State Legislature enacted the Housing Stability and Tenant Protection Act of 2019, which repealed Vacancy Decontrol and several other mechanisms that landlords had used to evict tenants and remove rent-controlled and rent-stabilized units from the system. But the legislature unfortunately left one loophole intact: the right of a landlord of rent-regulated housing to evict tenants for purposes of demolition.

If this upzoning is approved, the City will be creating an irresistible incentive for demolition. Developers will target these 4 to 7-story buildings. Tenants will experience harassment, curtailment of services, and trumped-up eviction cases, while being bombarded with buyout offers. In one of the hottest real estate markets in the five boroughs, where new downtown condos sell for an average of \$6.5 million and market rents for new construction approach \$17,000 per month, developers will be licking their lips.

Demolition of rent-controlled and rent-stabilized housing is a difficult and lengthy process and fairly rare. Landlords must obtain permission from the NYS Division of Housing and Community Renewal, and if the application is successful tenants are entitled to modest relocation funds. Sometimes tenants defeat these plans after years of struggle, but usually landlords ultimately win in what becomes a war of attrition. If you create a big enough incentive, the process will be attractive to greedy developers, despite its cost and despite its difficulties.

Do not fall for the argument that because most of these buildings are in the historic district, there is no danger. All too often the Landmarks Preservation Commission allows demolition of all but the facades of buildings, which is sufficient under rent control and rent stabilization rules to qualify as "demolition" and to permanently remove apartments from the rent regulation system.

Nor would the addition of anti-eviction and anti-harassment protections to the plan, or funds to hire organizers or lawyers to represent tenants threatened with displacement, be sufficient to fight the market forces that would be unleashed by this upzoning. It would be useful for such measures to be incorporated, but they are no match for greedy speculators.

I call your attention to the recent publication by Village Preservation, "Mapping the Incentive to Demolish." I commend Andrew Berman and his staff for this invaluable analysis – but remember that this map contains only the 108 buildings with rent-regulated apartments that Village Preservation has been able to identify.

You must also act to protect the Interim Multiple Dwellings subject to Loft Board jurisdiction remaining in the SoHo/NoHo rezoning area. After 40 years most IMDs have been legalized and transitioned to rent stabilization, but there are some 200 IMDs out of the original 900 that are still under Loft Board jurisdiction, so it's only reasonable to assume that some of them are in SoHo/NoHo. In general, the 200 buildings have not been legalized only because of intractable landlord refusal to comply with the Loft Law.

Tenants PAC urges the City Planning Commission to reject this bad plan in its entirety. But if it is to move forward, we demand the following changes:

- (1) Eliminate any upzoning of all buildings containing rent-controlled or rent-stabilized housing, or Loft Law IMD units and joint live-work quarters. And we demand that City Planning release the complete list of addresses plus the number of units within the rezoning area.
- (2) Eliminate all loopholes that would allow new buildings or "vertical enhancements" (penthouses) without creating any affordable housing, in particular the 25,000 square foot loophole.
- (3) Eliminate the ability of expansionist institutions such as NYU to intrude into the area; no more dormitories.
- (4) Eliminate the eligibility of big box stores and huge eating and drinking establishments.
- (5) Eliminate the eligibility of office buildings and hotels.
- (6) Mandate greater affordability in any new housing: a mix of 25 percent "affordable" and 75 percent market-rate is unacceptable, especially when the "affordable" housing will be anything but.

Overall, at best this plan represents a failure of imagination on the part of the mayor and the members of his administration who are charged with planning. It could also be

viewed as a cynical approach to initiate the destruction of a unique neighborhood fostered by artists and innovative zoning and state legislation that created a unique cultural community.

Mandatory Inclusionary Housing has been an abysmal failure. It is based on the mistaken belief that the only possible model is to bribe the private, profit-making real estate industry to create a small number of “affordable” units in return for allowing them to create a glut of luxury housing – in most neighborhoods with significant taxpayer subsidies. This program inevitably bids up prices and rents while exacerbating the housing crisis – and in many cases the luxury housing sits empty. Just look at Flatbush Avenue. We do not need more market-rate housing; we need housing that is truly and permanently affordable to low and moderate-income New Yorkers.

MIH works only if you believe in trickle-down economics. I do not believe in trickle-down. It is time to look for a new model of social housing – using government resources to create social housing that will be genuinely affordable, and permanently affordable, free of dependence on profit-making developers.

One final point: Supporters of this upzoning have accused opponents of being racist NIMBY reactionaries who don’t want low-income people of color moving into the neighborhood. I have spoken to many SoHo residents, some of whom are long-time Tenants PAC supporters, and some of whom I have known and worked with for many years. It is clear to me that they would welcome genuinely low-income housing. The bullying tactics being used against opponents of this ill-advised plan should be repudiated by all elected officials, as well as those appointed to bodies such as this one.

In sum, SoHo and NoHo need updated zoning rules, and they also need affordable housing. We urge you to go back to the drawing board and remove the negative features of the current plan and give us a new plan that will be a net positive.