SoHo/NoHo Neighborhood Plan
Post-Hearing Follow-up

September 20, 2021
CPC Post-Hearing Follow-up

Agenda

- Housing & MIH
- JLWQA & Arts Fund
- Commercial FAR
- Outreach
- Items for 2nd post-hearing follow-up
  - Retail
  - Arts Fund
  - Other
Housing & MIH

Proposal

• Rezone to allow residential use
• Designate SoHo/NoHo as an MIH Area
  o MIH Options 1 & 2: Between 25% and 30% of new residential floor area would be required to be permanently affordable and available to residents at a range of low- and moderate- incomes
  o Targeted adjustment in response to unique context

Topics addressed at Pre-hearing and Hearing

• MIH program
• Tenant protection & rent regulated units
• Opportunities on publicly-owned sites
SoHo/NoHo Housing Strategy

Existing Constraints

- Zoning prohibits residential use
- High land costs and market rents make affordable housing financing tools such as loans and tax incentives infeasible
- Lack of City-owned land to build 100% affordable housing
- Lack of existing income-restricted affordable housing

Housing Strategy

- Rezone to allow housing (incl. infill developments and conversions)
- Require permanent affordable housing via MIH on private development sites
- Continue to identify opportunities on publicly-owned sites (incl. 2 Howard Street) within SoHo/NoHo and in CD2
- Work with DCP, DOB, and HCR to identify rent-regulated homes and ensure consistent enforcement
# Current and Future Tenant Protections

## NY Tenant Protection Act of 2019

*Housing Stability and Tenant Protection Act (HSTPA) passed by the State in 2019 provides additional protections for rent-regulated rents*

<table>
<thead>
<tr>
<th>Prior Regulation</th>
<th>Current Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expiration of Rent Regulation Laws</td>
<td>Laws are now permanent</td>
</tr>
<tr>
<td>“Vacancy Bonus”</td>
<td>Eliminated: Owners can no longer increase rent by 20% when a tenant moves out</td>
</tr>
<tr>
<td>High Rent Vacancy &amp; High Income Deregulation</td>
<td>Eliminated: Owners can no longer deregulate apartments due to high-rent and income thresholds</td>
</tr>
<tr>
<td>Preferential Rents (i.e. a rent lower than the legal regulated rent)</td>
<td>Tenants now keep their preferential rent for as long as they reside in their apartment</td>
</tr>
<tr>
<td>Rent Increases Due to Renovations</td>
<td>New limitations on permitted rent increases through Major Capital Improvements (MCIs) &amp; Individual Apartment Improvements (IAIs)</td>
</tr>
</tbody>
</table>

HPD and other agencies provide a robust set of resources for tenant protection, education, and anti-harassment strategies, including:

- Mayor’s Office to Protect Tenants
- HPD’s Tenant Anti-Harassment Unit (TAHU)
- State Tenant Harassment Task Force
- City Tenant Harassment Task Force
- DOB Office of the Tenant Advocate
- Expanded Right to Counsel Law
- Tenant Helpline
- Eviction Prevention Brochure
- ACCESS NYC
- Homebase
- NYC Housing Resource Portal
- Loft Board
- Division of Housing and Community Renewal (DHCR)
Study Area Demographics & Inequitable Housing Production

Race & Ethnicity

<table>
<thead>
<tr>
<th>Category</th>
<th>SoHo/NoHo</th>
<th>Manhattan</th>
<th>NYC</th>
</tr>
</thead>
<tbody>
<tr>
<td>White nonhispanic</td>
<td>77.5%</td>
<td>48.0%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Black / African American nonhispanic</td>
<td>2.2%</td>
<td>12.9%</td>
<td>22.8%</td>
</tr>
<tr>
<td>Asian nonhispanic</td>
<td>11.7%</td>
<td>11.2%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Some other race nonhispanic</td>
<td>0.4%</td>
<td>0.5%</td>
<td>1%</td>
</tr>
<tr>
<td>Nonhispanic of two or more races</td>
<td>2.2%</td>
<td>1.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Hispanic origin</td>
<td>5.9%</td>
<td>25.4%</td>
<td>28.6%</td>
</tr>
</tbody>
</table>

Housing Tenure of Occupied Units

SoHo/NoHo residents are twice as likely to own their homes than residents of Manhattan overall.

JLWQA & Arts Fund

Questions raised at CPC Hearing:

- **Mechanism**: When and why is Arts Fund contribution required?

- **Process**: How does the conversion process work?

- **Contribution rate**: How is the contribution rate determined?

- **Vision for Arts Fund**: How will the Arts Fund be administered and allocated?
JLWQA & Arts Fund - Mechanism

Existing Joint Living Work Quarters for Artist (JLWQA)

- Continue to be **allowed**, with **added optionality**
- **Option A**: remain as UG 17D JLWQA; or
- **Option B**: convert from UG 17D to UG 2 residential use with a one-time contribution to **Arts Fund**

Key proposal features

- Introduce a new **option** to resolve complicated occupancies
- Voluntary, **not** mandatory
- Contribution is **only** at time of conversion
- Translate the lifting of artist occupancy requirement into support for the arts

**Allocated under DCLA oversight towards arts and cultural programming & facilities**

**Images: Department of Cultural Affairs**
JLWQA & Arts Fund - Process

Coordinated interagency process (DCP/DCLA/DOB) facilitated by CPC Chairperson certification

1. DCP/DOB - Verify total floor area to be converted to residential
2. DCP/DCLA - Confirm required Arts Fund contribution has been made
3. CPC Chairperson certifies to DOB Commissioner that Certificate of Occupancy for residential use may be issued
4. DOB issues Certificate of Occupancy (CO)

Owner of unit / building seeks conversion from JLWQA to residential use
Contribution Rate – Market Analysis Method

- **Department of Finance sales data** *(between 2010 – 2020)*  
  - Sales of individual units, incl. co-ops and condos

- **Unit Square footage information from StreetEasy**

- **Screening outliers & incomplete records** *(small share of total records)*  
  - Outliers in terms of size: Units < 1,000 sf and units >= 5,000 square feet
  - Units lacking square footage information

- **Unit classification**  
  - JLWQA
  - Non-JLWQA: pre-existing and converted residential units (incl. Loft Law units)
  - New construction: Included as its own category for comparison, separate from other non-JLWQAs
  - Sources: DOB certificates of occupancies, Loft Board data
**Contribution Rate – Market Analysis**

- **Sales price of non-JLWQAs higher than those of JLWQAs**
  - Range of market value differences: $76 to $263 psf

- **Estimated contribution** assuming average unit characteristics & proposed contribution rate of $100 psf
  - Share of unit market value: 7.2% (average); 6.5% (median)

<table>
<thead>
<tr>
<th></th>
<th>JLWQA</th>
<th>Non-JLWQA*</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>671</td>
<td>133</td>
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<tr>
<td>Average</td>
<td>1,624</td>
<td>1,814</td>
<td>+$189</td>
</tr>
<tr>
<td>1st Qrtl</td>
<td>1,293</td>
<td>1,369</td>
<td>+$76</td>
</tr>
<tr>
<td>Median</td>
<td>1,545</td>
<td>1,767</td>
<td>+$222</td>
</tr>
<tr>
<td>3rd Qrtl</td>
<td>1,920</td>
<td>2,182</td>
<td>+$263</td>
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*Incl. Units legalized under the Loft Law + UG 2 residential units

(Table and box chart updated on 9/14/2021 to correct minor inadvertent errors)
Arts Fund Vision

What is it for?

Programming, projects and facilities that promote the public presence of the arts within the Special District and surrounding neighborhoods

Programmatic Support:
- Provide annual competitive grant funding to individual artists, unincorporated arts collectives, and nonprofits for projects and services that offer Lower Manhattan communities diverse artistic and cultural experiences.

Facility Stewardship Support:
- As funding allows and for projects not currently eligible for City capital dollars, provide one-time grant funding for equipment, maintenance, renovation and upgrade to existing or new cultural facilities located within Lower Manhattan.

Property Acquisition Support:
- As funding allows, provide one-time grant funding toward cultural nonprofits’ purchase of administrative and/or programmatic space in Lower Manhattan.

Ongoing discussion with DCLA; more at 2nd post-hearing follow-up
Commercial FAR

Question raised at CPC hearing
- Appropriateness of proposed commercial densities
Economic Engine

Regional hub for jobs & commerce

- **High job density**
  - 53,000+ private sector jobs concentrated in SoHo/NoHo
  - Home to small- to medium-sized firms

- **Major shopping district**
  - $3.1 billion consumer spending 2016
  - $170 million in annual sales tax
  - Ranked #2 in NYC and Top 10 in US in sales

Retail sector data: HR&A retail conditions study (2018). Demographic data: 2010 Census, block-level data aggregated to SoHo/NoHo boundary.
Dynamic Mixed-Use District

SoHo / NoHo

53,339 Total Jobs

(2018)

Employment data: 2018 LEHD (US Census Bureau). Land use map: Map PLUTO 20v4 and AKRF study area survey
Commercial FAR

Considerations

- Permitted commercial densities in adjacent areas *(see map)*
- Presence of major corridors
- Existing concentration of office space and jobs
- Proximity to other major business districts and commercial hubs
- Surrounding neighborhood context
Commercial FAR

Recommended modification
- Opportunity Area O-1: Maintain 10 FAR
- Opportunity Area O-2: Lower to 8 FAR
- Opportunity Area O-3: Lower to 7 FAR

Existing Zoning

<table>
<thead>
<tr>
<th></th>
<th>Commercial</th>
<th>Residential</th>
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<tbody>
<tr>
<td>Zoning</td>
<td>No residential</td>
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</table>

Historic Cores (M1-5/R7X)

<table>
<thead>
<tr>
<th></th>
<th>Commercial</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Historic Corridors (M1-5/R9X)

<table>
<thead>
<tr>
<th></th>
<th>Commercial</th>
<th>Residential</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>5 / 6</td>
<td>9.7</td>
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Opportunity Areas (M1-6/R10)

<table>
<thead>
<tr>
<th></th>
<th>Commercial</th>
<th>Residential</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>8</td>
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</tbody>
</table>

Legend
- Project Area / Rezoning Area / MIH Area
- Zoning District Boundary
- Historic District Boundary
- Parks and Open Space
- Existing Zoning Boundary
Neighborhood Planning Process & Community Engagement

Envision SoHo/NoHo:
A Summary of Findings & Recommendations

Envision SoHo / NoHo
Engagement Events
January 2019 - January 2020
Report Release & Public Feedback
November 2019 - January 2020

Environmental Review Process (CEQR)
Proposal Development
Info Sessions
Land Use Review Process

Draft Scope of Work
October 28, 2020
Scoping Meeting
December 3, 2020
Final Scope of Work
Draft Environmental Impact Statement
Final Environmental Impact Statement

Public Participation
October 26, 2020
Housing
February 3, 2021
Mixed-use & Public Realm
February 25, 2021
Arts & Culture
March 30, 2021
Certification
CB & BP Review
CPC Hearing

2019
2020
2020
2021
CPC Post-Hearing Follow-up

Summary

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Thank You.