Susan Kent, Chair Valerie De La Rosa, First Vice Chair Eugene Yoo, Second Vice Chair



Antony Wong, Treasurer Emma Smith, Secretary Mark Diller, District Manager Brian Pape, Assistant Secretary

# Community Board No. 2, Manhattan

3 Washington Square Village NEW YORK, NY 10012-1899

www.manhattancb2.org

July 19, 2024

Hon. Dan Garodnick Chair, NYC City Planning Commission 120 Broadway New York, NY 10271

Hon. Chair Garodnick:

At its Full Board meeting on July 18, 2024, Community Board #2, Manhattan (CB2, Man.) adopted the following resolution:

The City of Yes for Housing Opportunity (COYHO) is a complex citywide zoning reform proposal from the Department of City Planning (DCP) covering many aspects of zoning with the stated goal of building a little more housing in every neighborhood. This approach, while worthy in its goal, fails to address in CB2M many of the failures and shortcomings of past rezonings as they related to the production of housing. CB2M believes that any zoning reforms specifically applicable within CB2M must: a) incentivize the production of housing over commercial and office development and b) include within any new housing production a significantly stronger mandate for required affordable housing.

#### Whereas:

- 1. CB2M has a history of strongly advocating for affordable housing (AH) in our district, but we have consistently lost to private developers in negotiations for the inclusion of voluntary new AH or inclusion of AH as of right in the Hudson Square district, as well as losing a huge amount of rent regulated units across the district prior to passage of the Housing Stability and Tenant Protection Act of 2019 through various decontrol loopholes. CB2M also has faced a steady loss of housing units due to conversions of multi-unit buildings to single-family homes.
- 2. While CB2M understands the need for more housing, we urge the proposal to be much bolder to incentivize affordable housing as a **mandatory** part of the entire COYHO. This could create a real incentive, where if developers of market rate housing want to move forward, they will need to incorporate affordable housing in their projects.
- 3. CB2M acknowledges the great need for housing in general. The COYHO plan addresses this city wide, but only in the area of market rate housing.

- 4. The only component of COYHO that touches on affordable housing relies on voluntary programs, which CB2M has seen rarely generates the number of projected units and does nothing to address the imbalance of commercial to residential in our district.
- 5. Key to our thinking on this issue is the 2013 Hudson Square rezoning, which was projected to create 3,300+ units of housing and included what the City considered generous incentives for building affordable housing. Since then, only nine new residential properties have been or are currently in the process of being built, culminating in adding only 1,618 new residential units to the neighborhood, 18% of which are affordable. Meanwhile, commercial projects such as the Google and Disney campuses have been built on sites projected for housing development.
- 6. COYHO will impact each community, neighborhood and community board differently across our diverse city of 8.33 million. CB2M believes that each of the communities specifically impacted by the many components of COYHO should have a louder and more decisive voice on those specific issues. Many of those proposals that do not directly impact CB2, such as town center zoning, elimination of parking mandates, transit-oriented development, district fixes and railroad right-of-way may include positive elements within them, but CB2M believes that the voices of communities that are directly impacted by those elements of COYHO should be considered first in determining how to best incorporate those elements within their own communities and still achieve the citywide goals of COYHO.

#### Whereas proposals for COYHO include:

- 1. Universal Affordability Preference and Updates to Mandatory Inclusionary Housing. Universal Affordability Preference (UAP) is a program that replaces Voluntary Inclusionary Housing (VIH). It is designed to give additional floor area, typically 20% or more, in exchange for affordable housing with an average of 60% AMI. The updates to Mandatory Inclusionary Housing (MIH) are zoning text changes that would allow for Option 3 ("deep affordability") to be selected on its own within Manhattan.
- 2. **Convert Non-Residential Buildings to Housing.** This proposal is designed to expand adaptive reuse regulations, allowing them in more geographical areas and with a larger subset of eligible buildings. The entire City would now be eligible, and buildings that were built up to 1990 would be eligible (previously, buildings were eligible if they were built in 1961 or before).
- 3. Accessory Dwelling Units. Accessory dwelling units (ADUs) are defined as a new type of residence structure that is at most 800 square feet and can be situated in the rear yard of a single- or two-family dwelling.
- 4. Campus Infill. This proposal changes how campuses can be developed, where a campus is defined as a housing development such as NYCHA, but the definition also includes other campus developments such as Washington Square Village in CB2M. These rules change how new development can occur in these campuses, moving away from "height factor zoning" which preserves the open space on these campuses and simplifies the zoning rules, removing the requirement for "open space" entirely. These infills can also be market-rate.
- 5. **Small and Shared Housing.** This proposal removes the "dwelling unit factor" in Manhattan, which is a method of ensuring that buildings are not built solely with small units. The reason for removing the dwelling unit factor is to allow for a greater variety of housing types, including single-room occupancy (SRO housing with shared kitchens and common facilities, and micro apartments.
- 6. **Landmark Transferable Development Rights.** This proposal would allow as-of-right transfers of development rights, commonly referred to as "air rights", from individual landmarks across a greater geographic area.

7. **New zoning districts.** This is a technical change that adds four new zoning districts in the Zoning Resolution but does not add these to the zoning map.

Therefore be it resolved, Community Board 2 Manhattan is opposed to COYHO because it fails to address two long standing issues which stunt the production of housing and affordable housing across all income levels in CB2M, specifically the lack of incentivization of housing production over commercial and office development and the lack of inclusion of required affordable housing within new developments; and rejects COYHO unless these issues are addressed and the following changes are made:

# 1. Update Mandatory Inclusionary Housing to reduce reliance on Universal Affordability Preference.

CB2M is severely disappointed that COYHO places too much reliance on the UAP, instead of making substantive improvements to the mandatory affordable housing program. Notably, UAP is the <u>only</u> affordability component of COYHO. Overall, this represents a missed opportunity to create more affordable housing, and CB2M supports updating MIH through a text amendment that for each MIH option would: a) deepen AMI averages; b) increase the percentage of affordable units per development; c) require a greater percentage of deeply affordable units per development; and d) increase the number of allowed income bands to ensure a range of lower incomes are evenly targeted. UAP formalizes a policy that makes affordable housing optional and moves the City away from a framework of mandatory affordable housing. CB2M has also seen that, given a choice, developers have not chosen the voluntary program in the past, such as in the 2013 Hudson Square rezoning (see above).

## 2. Convert Non-Residential Buildings to Housing.

CB2M supports conversion of vacant offices and other non-residential buildings to housing but urges City Planning to further disincentivize developers to build offices instead of housing in CB2M to more fully realize the goals of COYHO. Historically, commercial buildings have typically been granted a larger FAR than a residential building in CB2M, so in a conversion scenario it is likely that the building being converted will have a larger FAR than if it had originally been built as a residential building. This is effectively a "bonus" for the developer. In keeping with the mindset that any bonus should be used for production of affordable housing, this proposal will be more effective and equitable in requiring that any difference between the total FAR of a converted office building and the maximum allowable FAR of a residential building in the same zoning be allocated towards affordable housing.

# 3. Legalize Accessory Dwelling Units in R1 through R5 districts.

CB2M contains a number of single- and two-family dwellings with rear yards, although the requirement for direct access to a street does limit the number of eligible lots.

There may exist configurations, similar to how carriage houses were incorporated into numerous Village townhouses, where an ADU may now be legalized within CB2M, although DCP categorizes this as "low density" proposal. In light of that possibility, it would be remiss to not include a provision for mandating affordable housing in these units.

# 4. Revise Campus Infill to Protect Affordable Housing Residents.

CB2M supports making it easier for campuses to add new buildings but insists that Mitchell-Lama and other public housing site campuses allow for use of Quality Housing regulations only through a new CPC special permit that requires 100 percent affordability on public sites, requires that public housing and large scale development sites meet certain findings related to impact on existing buildings and residences, and grants the City Council the opportunity to hear and vote on each application. This will protect existing affordable housing residents and preserve public review as these sites are expanded.

## 5. Eliminate Dwelling Unit Factor for Small and Shared Housing.

CB2M supports proposals that would bring a diversity of housing types to the district. The proposal to re-introduce housing with shared kitchens or other common facilities would do so by eliminating the dwelling unit factor, currently set at 680 square feet. However, there is a concern that eliminating the dwelling unit factor would allow developers to produce buildings of all-studio apartments, decreasing the diversity of apartment types. A better solution may be to lower the dwelling unit factor, not eliminate it, thereby allowing single-room occupancy style housing while also preventing all-studio developments. Reducing, but not eliminating, the dwelling unit factor would still allow for micro apartments, which have been very successful in other cities as an entry point for people having their own dwelling.

# 6. Add Affordability Mandates when Expanding Radius of Transferable Development Rights for Individual Landmarks.

CB2M contains 70+ individual landmarks and is home to fourteen historic districts, so this is of special concern to CB2.

Allowing individual landmarks to sell development rights across a wider transfer radius and simplifying the procedure would create a useful market for Development Rights, allowing owners of landmarked buildings to generate funds for upkeep and maintenance of their historic buildings. The proposal also does not mandate the inclusion of affordable housing, which CB2M feels is a missed opportunity.

#### Be it further resolved that:

- 7. CB2M opposes the use of CPC authorizations for new projects and zoning changes instead of existing CPC or BSA special permits, which involve a public hearing to ensure that the needs and voices of our community are heard and acted upon.
- 8. CB2M agrees that the Mandatory Inclusionary Housing program needs to be overhauled.
- 9. CB2M finds the move away from Quality Housing to be unfortunate. This move severely reduces light and air requirements, and we recommend reconstituting the reliance on the standards of Quality Housing.

#### Be it further resolved that CB2M supports:

### 10. The creation of new zoning districts of:

- R6D: a 3 FAR district (with 75-foot height limit)
- R11: a 12.5 FAR district (with 325-foot height limit, permits towers)
- R11A: a 12.5 FAR district (with 325-foot height limit)
- R12: a 15 FAR district (with 395-foot height limit, permits towers).

**Be it further resolved** that CB2M strongly supports measures that will increase both the affordable *and* the market rate housing supply.

Vote: Passed, 27 Board Members in favor.

**12 in Opposition** (S. Aaron, A. Diaz, C. Dignes, A. Fernandez, J. Kaye, R. Kessler, J. Liff, B. Listman, M. Metzger, E. Siegel, F. Sigel, E. Smith)

1 Abstain (R. Sanz)

We respectfully request that your agency take action consistent with the positions expressed in the above.

Sincerely,

Eugene Yoo, Co-Chair

Land Use and Housing Committee Community Board #2, Manhattan Katy Bordonaro, Co-Chair

Katz Bordonaw

Land Use and Housing Committee

Community Board #2, Manhattan

Susan Kent, Chair

Community Board #2, Manhattan

SK/fa

Hon. Mark Levine, Manhattan Borough President

Hon. Adrienne Adams, NYC Council Speaker

Hon. Christopher Marte, NYC Council, 1st District

Hon. Carlina Rivera, NYC Council, 2<sup>nd</sup> District

Hon. Erik Bottcher, NYC Council, 3<sup>rd</sup> District

Hon. Brian Kayanagh, NY State Senate, 27th District

Hon. Brad Hoylman-Sigal, NY State Senate, 47th District

Hon. Grace Lee, State Assembly, 65th District

Hon. Deborah J. Glick, NY State Assembly, 66<sup>th</sup> District

Chelsea Evans, CB2, Man. Urban Planner, City Planning Commission