



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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Lowell D. Kern
Chair

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April 15, 2021

Hon. Andrew Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

Re: Governor's Proposal – Repurposing Hotel & Commercial Buildings Due to COVID

Dear Governor Cuomo,

Manhattan Community Board 4 (MCB4) believes that while the plan for zoning waivers for underused commercial offices and hotels for conversion to housing with an affordable housing requirement has merit, the execution of this proposal must be carefully crafted to avoid unintended consequences. Such a proposal should be taken up as a separate matter, not in a budget action.

Instead, the proposal should be part of an overall plan with consideration of both City and local plans, including MCB4's Affordable Housing Plan¹. The Board has reviewed an initial analysis of the proposed amendments, including the 30-day amendments to the State Executive Budget, and has been working with elected officials to analyze further and better understand the provisions outlined in the amendment. The MCB4 Clinton / Hell's Kitchen Land Use and Chelsea Land Use Committees met on March 10 and March 15, 2021, respectively, and reviewed the proposals. At its April 7, 2021 regularly scheduled full board meeting, MCB4 with 39 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible, voted to recommend that any action by either the City or State to convert hotels or offices to residential use involve the local community in its planning and decision process. Below is our initial response.

MCB4 Response

- Such a proposal should be taken up as a separate matter, not in a budget action, but instead, an overall plan with adequate public review.

¹ [MCB4 Affordable Housing Plan, originally adopted in 2015 and revised annually through 2019](#)

- As part of that public review, any plan must be developed in conjunction with New York City’s proposal to use capital funds to acquire hotels for affordable and/or supportive housing.
- MBC4 requests that the Governor’s office clarify the criteria of the proposal.
- The Board further requests the Governor’s Office clarify the specific effects and implementation of the proposed New York State Multiple Dwelling Law amendments.
- MCB4 does not support the idea of paying into an affordable housing fund without a robust set of criteria for implementation and regulation.
 - It has been MCB4’s experience that affordable housing funds established without implementation or regulations, are rarely effectively spent or allocated to those most affected by such actions. In fact, it has been our experience that when there is a direct nexus between affordable housing and requirements at the location, that housing is well-produced in a timely fashion.
- Any proposal should consider MCB4’s Affordable Housing Plan (2019 update).
- Any proposed conversion to supportive housing must take into consideration the track record of the proposed operators.
 - Operators found deficient in past operations should not be considered to provide services for such conversions.
- Actions to be taken through determination by the Commissioner of the Department of Homes and Community Renewal is vague, and MCB4 requests that language be clarified.
- MCB4 is working with elected officials to further analyze the proposal and to provide preliminary recommendations.
- MCB4, local block associations in Hell’s Kitchen and Chelsea, along with the Garment District Alliance and the Hudson Yards Hell’s Kitchen Alliance, are collecting data, and developing a map to locate potential hotels and offices that might be affected and will present maps and data to state representatives in response to these proposals.
- Retrofitting of buildings should provide adequate ventilation and air filtration systems, beyond the requirements of MDL Code to ensure proper protections against airborne viruses.
- Social service facilities or supportive housing should be distributed throughout, not clustered, in the District.
 - MCB4 will develop local guidelines for location of new social service facilities and supportive housing for use by City and State agencies.
 - Such guidelines will consider the locations of existing homeless shelters, social service facilities and supportive housing in the District.
- The December 31, 2024 conclusion of the program should be clarified as a sunset of the proposed revision.

Background

Modifications to the New York State Multiple Dwelling Law, Section 277-a, were proposed as a part of the Governor's 2021 budget on January 19, 2021 and modified in late February, as part of the 30-day amendments to the proposed Multiple Dwelling Law amendment. The amendment's intent is to address the number of vacant commercial buildings and hotels in Manhattan, as a result of Covid-19, and to repurpose those buildings for residential use. The initial January 19, 2021 proposal permitted conversion of hotels and commercial buildings to residential use – for market rate housing, with a minimum inclusion of 20% of affordable or supportive housing, by waiving certain provisions of the multiple dwelling law. The proposed revisions also create an option to provide funds in lieu of 20% affordability, to support the creation or preservation of affordable housing, or to prevent homelessness in the City of New York as determined by the NYS Commissioner of the Department of Homes and Community Renewal (HCR).

Initial Analysis

MCB4's initial analysis on January 19, 2021 of the proposal reduced the provisions of the proposed amendment to everyday common language to help the Board better understand the intent and effect of the Governor's proposal. This preliminary analysis has been subject to further revision after public discussion, and further clarification by the Governor's Office and State Legislature. The findings of the initial analysis are detailed below.

Hotel Conversion to Residential Buildings

Class B multiple dwellings: a hotel, with fewer than 150 rooms, located in the City of New York (either between Hudson River, Chambers St, Centre St, Brooklyn Bridge, the East River, and 110th St, or in any borough outside of Manhattan), can be converted to a residential building if it will:

- Be part of a state affordable housing plan with a minimum of 20% of such housing units created as affordable housing, or;
- Operate as a supportive housing facility that is under a contract with any state or city agency to provide housing and supportive services, or;
- Provide funds to support the creation or preservation of affordable housing or prevent homelessness as determined by the Commissioner of the Department of Homes and Community Renewal (HCR).

Office Conversion to Residential Buildings

Commercial office buildings: office buildings, considered Class B or Class C office space, located between Ninth Ave, Park Ave, 14th St and 60th St can be converted to a residential building if it will:

- Be part of a state affordable housing plan or agreement with the HCR to provide a minimum of 20% of such housing units created as affordable housing, or;
- Operate as a supportive housing facility that is under contract with any state or city agency to provide housing and supportive services for any population, or;
- Provide funds to support the creation or preservation of affordable housing or prevent homelessness as determined by the Commissioner of the HCR.

Applicability

With this change, conversion to multiple dwellings is for:

- Buildings erected prior to January 1, 1977
- Will not be subject to:
 - Local zoning law or resolution
 - Regulation addressing minimum light and air standards
 - Special District regulations
- The act shall take effect immediately upon passage and expire December 31, 2026
- After the law is repealed, no variance or administrative acts will be needed to obtain a Certificate of Occupancy.

The proposal permits residential conversions of qualifying buildings located within manufacturing districts, which would otherwise not be permitted on an as-of-right basis. Certificates of Occupancy issued to such hotels and offices would simultaneously be authorized for residential use.

Further Amendments to the Governor’s Proposal

In late February, this proposal was further amended.

Hotel Conversion to Residential Buildings

- Applicable boundary no longer includes MCD4. The boundary was changed to the area in Manhattan excluding the area between Hudson River, Chambers Street, Centre Street, Brooklyn Bridge, the East River, and 110th Street, or in any borough outside Manhattan.
- The requirement for affordable housing was changed from 20% to 25%, subject to a regulatory agreement with the HCR.

Office Conversion to Residential Buildings

- Applicable boundary was expanded to include all of MCD4. The boundary was changed to the area below 60th Street from the East River to the Hudson River.
- The requirement for affordable housing was changed from 20% to 25%, subject to a regulatory agreement with the HCR.

Applicability

- The expiration date was changed from December 31, 2026, to December 31, 2024.

At the time that the Clinton / Hell's Kitchen Land Use and Chelsea Land Use Committees deliberated, it was understood the proposal was only applicable to only Class B and C office buildings east of Ninth Avenue. Now, upon further review of the amendment, MCB4 understands that class B and C office buildings affected are below 60th Street, between the Hudson and East Rivers.

Alternate Proposals

Since the initial analysis, other proposals have been brought forth. One such proposal is [Senate Bill S5257](#), the Housing Our Neighbors with Dignity Act, sponsored by State Senator Michael Gianaris, which allows the State to acquire "distressed" hotels with less than 150 rooms that are listed for sale and are in a financially distressing condition. MCB4 will review and comment on that bill and other proposals that may emerge from the New York State Legislature.

Next Steps

Representatives of MCB4 met with New York State elected officials on March 5, 2021 to further analyze and better understand the provisions of the proposal and its amendments. Members of the State Senate and Assembly stated that they did not support the inclusion of the proposal in the New York State budget.

MCB4 is also working with local block associations and business improvement districts to collect data and to develop a map to locate potential hotels and offices that might be affected. MCB4 will present maps and data to the local elected officials and the public and continue to work with all parties to develop recommendations.

Conclusion

MCB4 will complete its data collection, mapping, and seek to make recommendations regarding these initiatives at its Full Board meeting. The Board looks forward to gaining clarity on these proposals and discussing the next steps.

Sincerely,



Lowell D. Kern
Chair
Manhattan Community Board 4



Jean-Daniel Noland
Chair
Clinton/Hell's Kitchen Land Use Committee



Betty Mackintosh
Co-Chair
Chelsea Land Use Committee



Paul Devlin
Co-Chair
Chelsea Land Use Committee

Cc Hon. Brad Hoylman, New York State Senator
Hon. Robert Jackson, New York State Senator
Hon. Linda Rosenthal, NYS Assemblymember
Hon. Richard Gottfried, NYS Assemblymember
Hon. Bill de Blasio, NYC Mayor
Hon. Corey Johnson, NYC Council Speaker
Hon. Jumaane Williams, Public Advocate
Hon. Scott Stringer, NYC Comptroller
Hon. Gale Brewer, Manhattan Borough President
Marisa Lago, Chair, New York City Planning Commission