#### CITY OF NEW YORK



LOWELL D. KERN Chair

JESSE R. BODINE District Manager

# MANHATTAN COMMUNITY BOARD FOUR

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May 28, 2021

Brad Hoylman NY State Senator 322 8th Avenue Ste. 1700 New York, NY 10001

Robert Jackson NY State Senator 728 West 181st Street New York, NY 10033 Richard N. Gottfried NY State Assemblymember 214 West 29th Street Ste. 1002 New York, NY 10001

Linda B. Rosenthal NY State Assemblymember 230 West 72nd Street #2F New York, NY 10023

# Re: COVID Residential Conversions - Policy Considerations & Recommendations

Dear Elected Officials,

Please find attached Manhattan Community Board 4's (MCB4) Policy Considerations & Recommendations regarding COVID Residential Conversions. At its May 5th, 2021, regularly scheduled Full Board meeting, MCB4 with 35 in favor, 0 opposed, 1 abstaining, and 0 present but not eligible, voted to adopt these policy considerations and recommendations. Please find the Policy, as well as maps of existing social services, hotels, and Class B and C office space in Manhattan Community District 4 (MCD4) attached.

The Board believes that the City and State proposals to convert underused commercial offices and hotels to affordable housing, supportive housing or homeless shelter has serious merit, but the execution of these proposals must be carefully crafted to avoid unintended consequences. Such proposals must take into account the context of existing social service uses, including supportive housing. Siting should be subject to community review, seek to distribute such housing or services throughout the city and avoid a concentration of uses in communities. In order to accomplish those goals, MCB4 took two related actions. First, it mapped all existing social service uses in the district, including homeless shelters, social service facilities and supportive housing. Then it mapped all hotel uses and Class B and C office buildings to determine how current and future uses would interrelate. With that information in hand, it began wide ranging policy

discussion among the Land Use Committees of MCB4, block associations, not-for- profit organizations and local business improvements districts. The COVID Residential Conversion Policy Considerations & Recommendations (Attachment A) is a result of that public process.

# Background

COVID-19 has had a devastating impact on the hotel and commercial office industry. According to the Hotel Association of New York City, COVID-19 halted many hotel construction projects and forced about 200 of the City's 700 hotels into temporary or permanent closure, as of late September 2020. The commercial property firm Savills released its New York 2020 Q4 Market Report on Manhattan's commercial office space reporting that new leasing in the fourth quarter of 2020 dropped by 64% compared to a year prior. The report also states that in Manhattan, there has been a total of 68.4 million square feet of unleased office space with a combined estimated value of \$57.3 billion. Many shuttered commercial hotels and vacant office buildings may not reopen.

Given the high vacancy rates of hotel and office space, there have been numerous public discussions on repurposing distressed hotels and office space for use as affordable housing, supportive housing or homeless shelters, including the following:

# State Proposals

- Governor's proposal in FY 2022 State Executive Budget on 1/19/2021 and amended in late February 2021, as part of the 30-day amendments to the State Executive Budget
- State Senate Bill S5257 Sponsored by Michael Gianaris (3/1/2021) and Assembly Bill A6593 Sponsored by Marcela Mitaynes, Zohran Mamdani, Chantel Jackson, and Charles Barron (3/19/2021)
- State Senate Bill S4937 Sponsored by Brian Kavanagh (2/18/2021)

## **New York City Proposals**

- Mayor's Proposals
- Borough President Gale Brewer's "Task Force on Sustainable Affordable Housing Development" Report, "Distressed Property Acquisition for Affordable Housing" Section (3/22/2021)

# **MCB4** Research and Findings

The Board conducted research, gathered data, created full maps of existing social services, hotels, and Class B and C office space in MCD4 (Attachment C). This surveying was done with the help of 14 community stakeholders and 20 volunteers from the CHKLU and CLU Committees.

MCB4 already had preliminary maps of social service uses, the research confirmed the density of social service uses in certain locations in the district. MCD4, being long

welcoming to social service uses, also has a great density of homeless shelters. The temporary shelter relocation by the Department of Homeless Services (DHS) to protect New Yorkers in congregate shelters from the spread of COVID-19 increased that density. At its height in July 2020, in MCD4 there were 2,142 Temporary COVID Homeless Shelter Beds, in addition to the 1,010 existing shelter beds and 1,302 apartments/beds of homeless supportive housing totaling 4,454 homeless shelter beds or apartments. The research found that MCD4 has a great density of hotel rooms, with around 30 hotels over 150 rooms, and 40 hotels under 150 rooms, totaling over 36,087 beds. Class B and C office space is located mostly on the edges of the community district, but with a large concentration in the Garment Center, between 8th and 9th Avenues from West 35th to West 39th Streets.

# **MCB4 Public Process**

Given these findings, the Board drafted a set of policy considerations and recommendations as a framework for discussion. They were distributed among a wide variety of community stakeholders, including block associations, not-for-profits, precinct councils and business improvement districts. Over the past few months, these community stakeholders came together to come to this set of proposed policy recommendations. The research and policy considerations led to a series of robust discussions around the topic. MCB4 also analyzed initiatives by both City and State.

MCB4's Clinton / Hell's Kitchen Land Use (CHKLU) and Chelsea Land Use (CLU) Committees met on March 10th and 15th, 2021, respectively, and reviewed the proposals. At its April 7th, 2021, regularly scheduled Full Board meeting, MCB4 voted to recommend that any action by either the City or State to convert hotels or offices to residential use must involve the local community in its planning and decision process.

The Board held further public meetings to review details of the proposals and to consider proposed policy recommendations at its CHKLU, CLU and Executive Committees in April 2021.

- Proposed 4.13.21 to CHKLU Committee
- Revised 4.14.21 by CHKLU Committee
- Referred 4.19.21 to CLU Committee
- Revised 4.20.21 by CLU Committee
- Referred 4.23.21 to Executive Committee
- Revised 4.26.21 by Executive Committee
- Adopted 5.5.21 by Full Board

### Conclusion

The result is a series of recommendations and policy considerations to guide the successful future siting and integration of Affordable Housing, Supportive Housing and Homeless Shelters, to balance community and citywide needs.

The Board looks forward to reviewing these recommendations and policy considerations and discussing how they may be integrated into current programs and proposed legislation.

Sincerely,

Lowell D. Kern

281

Chair

Manhattan Community Board 4

Daniel Noland

Chair

Clinton/Hell's Kitchen Land Use Committee

Betty Mackintosh

Co-Chair

Chelsea Land Use Committee

Betty Mackinsoch

Paul Devlin

Co-Chair

Chelsea Land Use Committee

Maria Ortiz Co-Chair

Housing, Health

Human Services Committee

Joe Restuccia,

Co-Chair

Housing, Health

**Human Services Committee** 

## **Enclosures**

A. COVID Residential Conversions—Manhattan Community Board 4 Policy

Considerations & Recommendations

B. MCB4 Community Stakeholders

C. COVID Residential Conversions – MCD4 Maps

Hon. Jerrold Nadler, U.S. Congress cc:

Hon. Andrew Cuomo, Governor of New York State

Hon. Bill de Blasio, Mayor

Hon. Corey Johnson, Speaker, City Council

Hon. Scott M. Stringer, NYC Comptroller

Hon. Jumaane Williams, NYC Public Advocate

Hon. Gale Brewer, Manhattan Borough President

Marisa Lago, Chair, City Planning Commission

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## Attachment A

# COVID Residential Conversions Manhattan Community Board 4 Policy Considerations & Recommendations

New York State Senate and Assembly officials and staff, in ongoing discussion with Manhattan Community Board 4 (MCB4), have requested input from the Board regarding policy considerations and recommendations regarding these proposals. Further, given that there are multiple proposals at the City level regarding the same matters, it is important to consider all of them in total, to make a series of basic recommendations for COVID residential conversions.

# MCB4 Policy Considerations & Recommendations

The following recommendations apply to either proposed State or City funding programs for acquisition or proposed State amendments to the Multiple Dwelling Law (MDL).

## • General Principles

- Social service facilities, homeless shelters, and supportive housing should be distributed equally throughout the five boroughs, not clustered in a single district or neighborhood.
- Establish a public and transparent process for shelter and supportive housing siting, with community review, in accordance with New York City's Fair Share criteria. Include notification to the community and Community Board as part of the siting process.
- Acquisition plans should not be solely opportunity-based but must be part
  of a planning process<sup>1</sup> reviewing the existing social service facilities on
  the surrounding blocks.
- Where there is a density of social service uses, shelters, or supportive housing, conversions should only focus on new affordable housing.

<sup>&</sup>lt;sup>1</sup> Any proposal should consider MCB4 Affordable Housing Plan, originally adopted in 2015 and revised annually through 2019

- Only not-for-profits with a proven operational track record of shelters or supportive housing should be considered for acquisition funding.
   Operators found deficient in past operations should not be considered for funding for such conversions.
- MCB4 does not support the concept of paying into an affordable housing fund in lieu of providing on-site affordable housing. 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.
- Service providers must comply with New York State law, restricting registered sex offenders, domiciled within certain proximities of educational facilities.
- Use of ground floor commercial spaces should reflect the uses of surrounding blocks to reinforce neighborhood character.
- Retrofitting of buildings should provide adequate ventilation and air filtration systems, beyond the requirements of the MDL Code to ensure proper protections against airborne viruses.

## • Homeless Shelter Conversions

- New shelters should not be located in proximity to existing shelters, social service facilities, and other supportive housing within a 500-foot radius for a cumulative total of 150 beds or social service users within that radius.
- Only one shelter should be sited on any street between two avenues or on any avenue between two streets.
- New shelters should range between 50 to 100 beds, with those below 75 beds preferred.
- New shelters should include units for family households, not only for single individuals.
- o New shelters should give preference to veterans.
- All shelters must include required on-site social service support and staff office space, security and resident common space.

## • Supportive Housing Conversions

- New supportive housing should not be located in proximity to existing shelters, social service facilities, and other supportive housing within a 500-foot radius for a cumulative total of 150 beds or social service users within that radius.
- Only one supportive housing development should be sited on any street between two avenues or on any avenue between two streets.
- New supportive housing should have between 50 to 100 rooms or apartments, with those below 75 beds preferred.
- o All new supportive housing must include required on-site social service support and staff office space, security and resident common space.

- The model for new supportive housing conversions should be consistent with New York City's model of including a 60% homeless and 40% community resident preference.
- All new supportive housing should include units for family households, not only for single individuals.
- o Preferably, supportive housing should be a component of a larger affordable housing development, with full integration of those apartments, and not in a separate building, to promote integration into the community.

# • Affordable Housing Conversions

- Income diversity promotes strong communities. To reinforce economic diversity, all new affordable housing conversions must be for a range of incomes, not only for low but also for moderate, and middle-income households<sup>2</sup>. Affordability should include AMI's at 50%, 60%, 80%, 100%, 125% and 165%, avoiding gaps between income bands.
- All new affordable housing conversion sites must include a mix of studio, one-, two-, and three-bedroom units.
- 15% of new affordable housing apartments<sup>3</sup> should be reserved for referrals of homeless households or individuals. Funding for social service support, for these homeless households, must accompany this requirement.
- Where there is an HPD Housing Connect lottery, there must be a 50% community preference for residents of MCD4.
- Where there is a HPD Housing Connect lottery, the owner/operator should agree to host educational sessions on how to apply and navigate the lottery.

# **Income Bands and Percent of Area Median Income (AMI)**

Income Band	Percent of AMI
Extremely Low-Income (ELI)	0-30%
Very Low-Income (VLI)	31-50%
Low-Income (LI)	51-80%
Moderate-Income (Mod)	81-120%
Middle-Income (Mid)	120-165%

2020 New York City Area Median Income (AMI) Bands

	ELI	VLI		I	J	Mod	Mid			
Family	30%	40%	50%	60%	80%	100%	120%	130%	165%	
Size	AMI	AMI								
1	\$23,880	\$31,840	\$39,800	\$47,760	\$63,680	\$79,600	\$95,520	\$103,480	\$131,340	
2	27,300	36,400	45,500	54,600	72,800	91,000	109,200	118,300	150,150	
3	30,720	40,960	51,200	61,440	81,920	102,400	122,880	133,120	168,960	
4	34,110	45,480	56,850	68,220	90,960	113,700	136,440	147,810	187,605	
5	36,840	49,120	61,400	73,680	98,240	122,800	147,360	159,640	202,620	

Source: U.S. Department of Housing and Urban Development

<sup>&</sup>lt;sup>2</sup> See Attachment B on Income Bands and Percent of Area Median Income (AMI)

<sup>&</sup>lt;sup>3</sup> Based upon City of New York's Department of Housing Preservation & Development's current homeless requirements

COVID Residential Conversions – Manhattan Community Board 4, Policy Considerations & Recommendations, adopted 5.6.21

2020 New York City Area Affordable Monthly Rents

Unit Size	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI	130% AMI	165% AMI
Studio	\$397	\$567	\$738	\$909	\$1,080	\$1,250	\$1,472	\$1,643	\$1,814	\$1,985	\$2,155	\$2,753
One- bedroom	503	717	930	1,143	1,356	1,570	1,847	2,060	2,273	2,487	2,700	3,446
Two- bedroom	598	854	1,110	1,366	1,622	1,878	2,211	2,467	2,723	2,979	3,235	4,131
Three- bedroom	683	978	1,274	1,570	1,865	2,161	2,545	2,841	3,136	3,432	3,728	4,762

Rents assumes tenant pays electricity. Rents are approximate and have been calculated at 30% of annual gross income of the target AMI. For low-income bands, rents are based on 30% of 27%, 37%, 47%, 57%, 67%, and 77% of AMI. All rents are subject to program requirements.

## Attachment B

# **MCB4 Community Stakeholders**

- MCB4 Chelsea Land Use Committee, Clinton Hell's Kitchen Land Use Committee, Housing Health and Human Services Committee, and Arts, Culture, Education and Street Committee
- West 36th Street Block Association
- West 44th Street Better Block Association
- West 47th/48th Streets Block Association
- West 50th and 51st Street Block Association
- West 55th Street Block Association
- Clinton Housing Development Company
- Hartley House
- Hudson Yards / Hell's Kitchen Alliance
- TF Cornerstone Inc.
- Garment District Alliance
- Manhattan Plaza Tenant Association
- Parc Vendome Community Affairs
- 100 West 16th Block Association

## Attachment C

# **COVID Residential Conversions – MCD4 Maps**

- Map 1. MCD4 Homeless Shelters, Social Service Facilities & Supportive Housing
- Map 2. MCD4 Hotels
- Map 3. MCD4 Class B & C Offices
- Map 4. MCD4 Homeless Shelters, Social Service Facilities & Supportive Housing,
- Hotels, Class B & C Offices
- Map 5. MCD4 Homeless Shelters, Social Service Facilities & Supportive Housing,

Hotels, Class B & C Offices with 500-ft Radii Buffer

COVID Residential Conversions – Manhattan Community Board 4, Policy Considerations & Recommendations, adopted 5.6.21









