CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

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May 22, 2024

Start: 11:30 a.m. Recess: 12:03 p.m.

HELD AT: 250 BROADWAY, COMMITTEE ROOM - 14TH

FLOOR

B E F O R E: Kevin C. Riley, Chairperson

COUNCIL MEMBERS:

Shaun Abreu David M. Carr Kamillah Hanks Francisco P. Moya Yusef Salaam

Lynn C. Schulman

Moya.

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Today, we are scheduled to hold votes on three applications. The first vote is to approve LUs Number 55 and 56 with modifications. This is a Major Regulatory Initiative by the Administration that is known as Zoning for Economic Opportunity, also referred to as ZEO. ZEO is the second of three major amendments to the City's Zoning Resolution, which regulates what can be built and the allowed uses within a building. The first initiative was Zoning for Carbon Neutrality, which the Council adopted and voted on last year. The second amendment is ZEO, and the third amendment is known as Zoning for Housing Opportunity. This third amendment was just referred to Community Boards, and Council will vote on it later this year. Together, these three amendments to the Zoning Resolution are known as the City of Yes. I want to make it clear to the public watching today and those in the room that today we are only voting on ZEO. The focus on ZEO is on how the Zoning Resolution regulates businesses. The City's Zoning Resolution dates back to 1961, and many of the Zoning Regulations that relate to allowed commercial uses were written over 60 years ago. The issue is that since the 1960s, the City has significantly changed.

content and complexity of ZEO. Today, I want to

SUBCOMMITTEE ON ZONING AND FRANCHISES 5 confirm that these concerns were heard. In response, we at the City Council are making significant changes to the ZEO to address these concerns. There were consistent themes among the concerns voiced by community boards, civic organizations, and individual New Yorkers throughout the City. First, there is a concern that the 18 proposals would allow new types of noisy commercial uses to locate in local commercial corridors. These new businesses could transform our current pedestrian-centered neighborhood shopping areas by introducing out-ofscale shops, blocking sidewalks for loading, and increasing congestion. There is a clear need in our local retail corridors to prioritize pedestrians, minimize congestion, and ensure that allowed uses are compatible with one another. For example, auto repair shops and businesses involving a lot of loading are not compatible with a restaurant that has outdoor seating or a coffee shop that serves walk-in customers. These are conflicts that communities are understandably concerned about. Local commercial corridors consist primarily of C1 and C2 commercial overlay districts. The Council's modifications to ZEO

proposal will maintain C1 overlay districts as

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2 pedestrian-friendly local retail corridors intended

3 to serve the surrounding neighborhood. With C2

4 commercial districts, which can serve one or more

5 neighborhoods, the objective of the modification is

6 to ensure the scales of the business is appropriate.

The second set of concerns focus on the fact that ZEO should not transform residential areas into mixed-use districts. Several of the ZEO proposals would introduce on as an as-of-right basis, or through an authorization only approved by the City Planning Commission, businesses in purely residential areas throughout the city. In some residential areas, introducing new commercial uses may be appropriate, but this may be determined individually for each neighborhood. A blanket approach that treats all residential neighborhoods the same is not sound Land Use planning. The proposed modification would prevent a one-size-fits-all approach to changing our residential districts into mixed-use districts.

The third set of concerns we heard is that ZEO would bypass Community Boards in relation to certain Land Use decisions. We, Council members, are here to represent our individual communities and collectively protect the voices of all our

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communities. As such, we will be modifying those

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3 proposals in ZEO that would bypass Community Boards

4 and the Council on important Land Use issues. ZEO

5 will not be allowed to suppress community input.

We also consistently heard that in order for ZEO to be effective, there must be meaningful enforcement of Zoning Regulations. Everyone knows the Department of Building is understaffed and needs more inspectors to effectively enforce against zoning violations. If we are going to revise where and how businesses operate, then it is critical that DOB have the needed resources to effectively enforce the new regulations. Additionally, enforcement in regards to the operation of nightlife businesses is also needed. As Chair Salamanca will elaborate on at our Land Use Committee hearing later, the Council has secured commitments from the Administration to fund increases to both DOB personnel and the Mayor's Office of Nightlife Inspectors. Regulatory reform and enforcement go hand-in-hand and must be done at the same time.

Lastly, ZEO has a major omission. It lacks a proposal to regulate the Last Mile Warehouse. These large distribution warehouses are

the proposals in ZEO to be responsive to the community concerns we have heard. The next section is very long, but please bear with me and listen

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2 carefully because it is important that our

3 communities understand how we are changing ZEO to

4 address their concerns.

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Proposal 1. Seek to facilitate the reactivation of vacant storefronts in residential districts. An activated space is better than an empty storefront, but the use that a space is reactivated with has to be compatible with the residential nature of the district. This is why we are modifying ZEO to limit the reactivation of vacant storefronts to shop and offices typically associated with local shopping corridors.

Proposal 2. This proposal concerns commercial overlay districts that are mapped within residential areas. The proposal will merge C1 and C2 overlay districts to expand where businesses can locate throughout the city. The issue with this proposal is that it treats all local commercial corridors in the city the same way. Depending on the neighborhood and size of the street, local shopping areas throughout the city actually differ quite a bit, so we need to retain the distinction between more locally focused commercial corridors with small retail shops and commercial corridors along avenues

2 that serve multiple neighborhoods and have large

3 | businesses. We can preserve the character of our

4 local shopping areas by excluding certain uses from

5 C1 overlay districts such as gas stations, car

6 dealerships, auto repair shops, and laboratories. We

7 | are also modifying ZEO to place a size restriction of

8 3,000 square feet on certain types of shops such as

9 makerspaces, amusement-based businesses, and other

10 repair and service businesses to ensure our C2

11 commercial overlay districts do not become out of

12 scale. We are also imposing size limitations ranging

from 5,000 square feet to 10,000 square feet on

14 certain businesses.

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Proposal 3. The City's manufacturing sector has largely shifted from heavy industrial uses to small scale clean production. These small-scale production businesses such as bakeries, coffee roasters, and 3D printing do not raise the same environmental and nuisance concerns as heavy manufacturing. The Administration's proposal here is to allow these small-scale clean production uses in commercial areas. While there is a small rationale for this proposal, it also needs to be sensitive to

neighborhood context. This is why our modification is

2 requiring that these new types of uses be limited to

3 | 3,000 square feet in C1 overlay districts outside of

4 Manhattan and 5,000 square feet in Manhattan and C2

5 overlay districts. We are also requiring that certain

of these makerspaces that could increase congestion

7 or generate significant noise not be allowed in C1

8 overlay shopping areas that often have homes right

9  $\parallel$  next to or above businesses.

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Proposal 5. Seeks to facilitate the conversion of office buildings by allowing more flexibility as to where different types of uses can be located within the mixed-use building. How people work has changed since the pandemic and we need to adapt to it as a city. Currently, commercial uses can only locate below residential units in the mixed-use building. The proposal would allow commercial uses on the same floor and above residential uses if these uses have separated entrances, different elevators, and are completely separated from one another. Beyond these protective measures, we are also requiring that the vertical and horizontal separation between residential and non-office uses be strengthened. This modification will create more of a buffer between different types of uses, which will decrease noise

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and the vibration disturbances for residents in the building. We are further modifying the proposal to only allow eating and drinking establishments above residential units on rooftops in Manhattan and in downtown areas of the other four boroughs. The proposed modification will also require that the amusement uses be located below residential units. The amusement uses will be subject to clear maximum noise levels to further prevent potential disturbances to residents living in the building. This modification will also allow commercial uses on the second floor of neighborhood commercial corridors, where it is currently limited to the ground floor only, but will prohibit the conversion of any existing apartments.

Proposal 7. This is an innovative proposal to make the city's food supply more secure and less dependent on trucks by allowing indoor agricultural in commercial areas. Indoor agriculture is presently only allowed in manufacturing districts. This is a proposal that makes a lot of sense, but legitimate concerns were raised about size of these uses as well as the growth of cannabis. First, our proposed modification is to prevent the growth of

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Proposal 8. Life sciences have become a major sector of City's economy. This industry provides good-paying jobs at all levels, and we should encourage its growth. That said, laboratories are not compatible with local retail corridors where residents go to pick up bagel and do laundry. Our modification here is to prohibit laboratories from C1 commercial overlays to preserve local shopping corridors in predominantly low-density residential neighborhoods.

Proposal 10. We are now halfway through the proposal. Is everyone still with me? All right.

Proposal 10 is about amusements and making sure we have access to healthy, social, and safe activities. Currently, many of the activities

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home businesses, and it drew a lot of attention.

Here, it is important to clarify that the current regulation only prohibits a small number of home

businesses, and the list prohibited uses makes little sense. For example, lawyers and accountants can have a home office but not interior designers or stockbrokers. People working in advertising or public relations or individuals cutting hair or doing nails are also currently not allowed to use their home for their work. Not only is this list conceptually flawed, but it has also raised real issues of inequity. We know for a fact that many families throughout the city rely on doing hair or nails for their home to make ends meet, and this should not be unlawful. On the other hand, this proposal goes too far by increasing the number of employees allowed from one to three. Doing hair for customers in your home is one thing, while running a three-chair barbershop out of one's home is another. This is why we are going to modify the proposal to retain the current one-employee limit. We are also going to continue prohibiting any businesses involving live animals. A home is not an appropriate place to run a kennel or for a vet to open up shop and take care of animals. With these modifications, we strongly believe that we will bring the zoning resolution up

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2 to date on home occupations while safeguarding the 3 quality of life and safety of residents.

Proposal 13 seeks to address a longstanding problem that afflicts certain neighborhoods. I am talking about auto repair shops. This is a real problem in the Bronx. Certain streets have been taken over by auto repair shops. This has created congestion issues, preventing pedestrians from using the sidewalks, and has negatively impacted surrounding businesses. ZEO will require new auto repair shops to obtain a BSA special permit before opening in any neighborhood. However, this does not go far enough. We are going to prohibit new auto repair shops from opening in our local shopping areas, consisting of C-1 commercial overlay districts. Auto repair shops, whether it be for tire or engine repair, are simply not compatible with pedestrian-centered retail corridors in residential neighborhoods. In the other zoning districts, we are requiring that the BSA analyze the concentration of existing auto repair shops before it allows another one to open. Together, this proposal and our modification will finally start addressing the over-

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concentration of auto repair shops in our community
and others.

Proposal 14. This is another innovative solution to a problem that is affecting every single neighborhood in the city, the delivery of packages. E-commerce is convenient, but it has created a real logistical issue for cities. The infrastructure needed to deliver packages to people's homes has not been sufficiently developed or regulated. As a result, a few communities are shouldering the burden of large last-mile distribution facilities. These last-mile warehouses need to be equitable distributed throughout the city, and this is a key demand of the Council as part of approving ZEO. Another part of the solution is to create micro-distribution facilities in each neighborhood, which Proposal 14 does. These are small facilities similar to local post office branches from which packages can be delivered by foot or bike. These micro-distribution facilities are particularly needed in high-density areas, and ZEO will allow them as-of-right in Manhattan up to certain sizes based on their location. Outside of Manhattan, in lower-density districts, we believe a more thorough analysis of what type of local

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distribution facilities are needed must be performed on a neighborhood-level basis, so we will require micro-distribution facilities outside of Manhattan to apply for BSA's special permit before they can open. The special permit will have size limitations and require BSA to analyze concentration issues in order to prevent these facilities from taking over entire blocks and streets. We believe this two-track approach to micro-distribution facilities, along with the regulation of last-mile distribution facilities, will create a more effective and equitable package delivery system.

Moving on to Proposal 15, there are large residential developments, primarily NYCHA and Mitchell-Lama campuses, that do not have access to everyday retail shops. Many of these campuses were intentionally located in areas of the city that are hard to access, and they are not well-serviced. This proposal seeks to address this important issue by creating a City Planning Commission authorization that will allow businesses up to 15,000 square feet to open on these large residential campuses. The concept of providing more access to retail is good, but residents of these large residential campuses and

local community need to be the one who decides where
shops are appropriate. This is why we are modifying
the authorization to a CPC special permit that will

5 be subject to a full year loop.

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Proposal 16 is known as the corner store. This plan raised a lot of concerns. The proposal will have created a CPC authorization that will allow small businesses and offices to locate within 100 feet of an intersection in purely residential areas. The concern raised by many Community Boards is that this proposal amounts to a citywide rezoning of residential districts. Corner stores may be appropriate in some residential districts, but this needs to be determined individually by each neighborhood. This is why we are removing this proposal from ZEO. This idea needs to be pursued through individual neighborhood rezoning.

Proposal 17. The film industry, is a growing sector of the City's economy and that provides our communities with access to good-paying jobs. Film studios have special requirements in terms of the type of buildings they can operate in. This proposal will create a CPC authorization to modify the bulk of a building to accommodate these special

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buildings.

needs. We are modifying the proposal to limit the scope of changes that can be made to the height and overbulk of a building. This will allow the needed flexibility to make sure the film industry can continue to grow in New York City, while ensuring that this new mechanism does not create outsized

Now for the last and final section of ZEO, Proposal 18. This is a proposal that the Council requested and it has been a long time in the making. Spearheaded by Council Member Gutiérrez and Majority Leader Farías, the M-Zone Coalition of the Council Members have been advocating to reform how the City's industrial areas are regulated by zoning. The current set of manufacturing zoning districts date back to 1961 and are not adequately protecting our core industrial areas. Under the present regulations, commercial uses like offices, retail shops, bars, and entertainment venues can locate as-of-right in all Mdistricts. High parking and loading requirements and low FAR make it also very difficult to build new industrial buildings or expand existing ones. Proposal 18 creates a new set of M-districts that can be mapped at a later point in time through ULURP or

on a neighborhood-by-neighborhood basis. These new Mdistricts consist of core industrial transition and growth districts. Council modification focused on strengthening the new core industrials and transition districts. In the core industrial districts, we are reducing the allowed non-industrial uses to a maximum of 10,000 square feet. This will preserve essential sites for industrial businesses and infrastructure while still allowing some flexibility for small retail or restaurants serving the industrial workforce. In the transition districts, we are increasing the size of the density incentive if dedicated industrial space is included in a building and at least 50 percent of the ground floor will have to be reserved for the dedicated industrial space. In transition districts, supermarkets will be allowed up to 30,000 square feet to increase access to food stores. Lastly, new M-districts mapped along the waterfront will require a 40-foot setback from the waterfront to preserve maritime freight access. Together, Proposal 18 with the modifications is a true gamechanger and will finally provide the needed tools to maintain the strong industrial base that our

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city needs to function properly and keep providing access to jobs for all New Yorkers.

I just discussed a lot of information. We will be posting materials on the Council's Planning and Land Use webpage that explains the changes we are making to ZEO. I hope your main takeaway from today is that we really listened to the concerns expressed by the communities throughout the whole city and modified ZEO to squarely address these concerns.

Okay, we are also voting to approve LU-74 relating to a project known as the 15-21 West 124th Street. Applicant is seeking a text amendment to facilitate the development of a residential building in Harlem within Council Member Salaam's district. The proposed text amendment will reduce the required parking in the R7/2 residential district within the 125 Street Special District. This reduction will facilitate the development of a new seven-story 33-unit residential building at 15-21 West 124th Street. Council Member Salaam supports this proposal.

Counsel, are there any Council Members with questions or remarks at this time? Members who are appearing remotely who have questions or remarks about today's items should use the raise hand button.

1	SUBCOMMITTEE ON ZONING AND FRANCHISES 23
2	Counsel will announce Members in order the hands are
3	raised.
4	COMMITTEE COUNSEL VIDAL: Chair, Council
5	Members do not have any questions at this time.
6	CHAIRPERSON RILEY: Thank you. I now call
7	for a vote to approve with modifications LUs 55 and
8	56 relating to the Zoning for Economic Opportunity
9	Text Amendment Proposal and to approve LU-74 relating
10	to the 15-21 124th Street Text Amendment Proposal.
11	Counsel, please call the roll.
12	COMMITTEE COUNSEL VIDAL: Chair Riley.
13	CHAIRPERSON RILEY: Aye on all.
14	COMMITTEE COUNSEL VIDAL: Council Member
15	Moya.
16	COUNCIL MEMBER MOYA: Aye on all.
17	COMMITTEE COUNSEL VIDAL: Council Member
18	Abreu.
19	COUNCIL MEMBER ABREU: Aye.
20	COMMITTEE COUNSEL VIDAL: Council Member
21	Hanks.
22	COUNCIL MEMBER HANKS: Permission to
23	explain my vote.
24	CHAIRPERSON RILEY: Permission granted.

2	COUNCIL MEMBER HANKS: Thank you, Chair.
3	Firstly, I would like to take a moment to thank the
4	Department of City Planning, City Council, Land Use,
5	the Administration for their diligent efforts with
6	City of Yes for Economic Opportunity. Your dedication
7	to community outreach and education as well as your
8	willingness to modify the proposal based on your
9	feedback is truly commendable. There's a lot of good
10	things in here.
11	However, despite these efforts, it's

However, despite these efforts, it's important to note that the civic organizations, constituents, and community members in my District simply do not agree with the proposal and, as a representative of Staten Island's 49th District, it is my duty to honor and follow the collective voice of my constituents so, therefore, I will be voting no on Land Use items 55 and 56 and age on all the rest. Thank you.

COMMITTEE COUNSEL VIDAL: Council Member Schulman.

COUNCIL MEMBER SCHULMAN: Aye on all.

COMMITTEE COUNSEL VIDAL: Council Member
Salaam.

COUNCIL MEMBER SALAAM: I vote aye.

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COUNCIL MEMBER CARR: Permission to explain my vote?

CHAIRPERSON RILEY: Permission granted.

COUNCIL MEMBER CARR: Thank you, Chair. I want to just mention that I think that the Zoning for Economic Opportunity Text Amendments have improved by leaps and bounds, and I want to commend the Land Use Division Staff here and all those of my Colleagues who worked to kind of reach this point. So many of the aspects that were incredibly troubling to me and those I represent are no longer in the text amendment thankfully. Corner store is chief among them, but I believe that as I look at this text amendment, there's not really anything here that I believe is actually going to improve the quality of life of the people I represent, and there are a couple of items still in this text amendment that give me pause for some concern. In particular, the micro-distributions being permitted with the BSA process in C1 and C2s outside of Manhattan and the expansion of some acceptable home business uses that are not currently allowed under the current zoning text so there's a

lot here that I think is sort of no impact or no
moment to the people I represent and then there's
some items which could end up not meaning anything in
the long run but could possibly have negative
externalities down the road and, so in an abundance
of caution, I'll be voting no on those two Land Use

COMMITTEE COUNSEL VIDAL: By a vote of five in the affirmative, two opposing, and zero abstentions, the items are approved and referred to the full Land Use Committee.

items 55 and 56 and yes on Land Use item 74. Thank

CHAIRPERSON RILEY: Thank you, Counsel.

That concludes today's business. I would like to thank the members of the public, my Colleagues,

Subcommittee Counsel, Land Use and other Council

Staff and the Sergeant-at-Arms for participating in today's meeting. This meeting is hereby adjourned.

Thank you. [GAVEL]

COMMITTEE COUNSEL VIDAL: It's actually a vote by a four. Okay, I'm going to try to get the record right this time, so we have LUs 55 and 56 have five votes in the affirmative, two in opposition, and

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you.

SUBCOMMITTEE ON ZONING AND FRANCHISES zero abstention and are approved and referred to a full Land Use Committee. However, as to LU number 74, it is approved by seven votes and therefore approved and referred to the full Land Use Committee. Sorry for the confusion. CHAIRPERSON RILEY: Thank you, Counsel. That concludes today's business again. Thank you. [GAVEL] 

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date June 28, 2024