

#### PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

## Jumaane D. Williams

# STATEMENT OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS TO THE NEW YORK CITY COUNCIL COMMITTEE ON LAND USE

#### **FEBRUARY 28, 2023**

Good Morning.

My name is Jumaane D. Williams and I am the Public Advocate for the City of New York. Thank you very much Chair Salamanca and members of the Committee on Land Use for holding this hearing and allowing me the opportunity to provide a statement.

It is alarming to me that the housing crisis in New York City continues to be increasingly worse as time goes on. I have been advocating for affordability during my time at the Council and continue to do so now. The pandemic has and will continue to aggravate the affordable housing crisis in New York City. It is evident that the cost of living across all five boroughs has drastically increased due to the cost of rent and rise of inflation. Over 50% of New Yorkers are rent burdened and under these horrendous circumstances so many are experiencing evictions.

To add more to this crisis, the amount of rent stabilized apartments have been disappearing. Two million New Yorkers live in rent-stabilized housing and are slowly being displaced. Ridgewood is a prime example of this. According to an analysis done by THE CITY, the number of registered rent-stabilized units have dropped from 6,228 in 2019 to 2,149 in 2021 which is over a 65% decline. Landlords are illegally destabilizing units. In addition, the Rent Board Guidelines voted on a 3.25% increase for people with a one-year lease and 5% increase for people with a two-year lease. The disappearance and rent increases on rent-stabilized units are unacceptable. This was truly a disappointing moment as these units disappear, rent is increased, and wages remain stagnant leading to the eviction of more poor and working New Yorkers

Due to the pandemic, office vacancy is at an all time high as employees are working remotely. Based on these conditions, there is a potential for residential conversion of commercial buildings. I support this proposal **only** under the context that developers will guarantee **deep affordability** or the state delivers an **improved version of the 421-A to ensure affordability.** The areas with high office vacancies such as Manhattan are high opportunity areas where communities of more color will be able to access high quality education and jobs, high quality hospitals, healthy food, green spaces, etc.

<sup>&</sup>lt;sup>1</sup>https://www.thecity.nyc/2023/3/1/23619616/ridgewood-rent-stabilization-substantial-rehabilitation?utm\_source=THE+CITY&utm\_campaign=4 82ca36158-EMAIL\_CAMPAIGN\_20230301&utm\_medium=email&utm\_term=0\_aa6c8f62b7-482ca36158-24364329 <sup>2</sup> Ibid.



#### PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

## Jumaane D. Williams

I hope we can work together to ensure that throughout this entire process **affordability is prioritized.** I urge my colleagues to center **deep affordability** when it comes to the discussion of commercial building conversions. We must adequately invest and support New Yorkers who deserve fair housing and the opportunities that come with it. We must be united in our fight for quality, safe, and deeply affordable housing. My office and I will continue to stand with community members and housing advocates. I hope the administration can include community members and housing advocates as part of the process.

Thank you.



#### Testimony of Jessica Lappin, President of the Alliance for Downtown New York Oversight hearing on Residential Conversions

#### **Committee on Land Use**

#### Hon. Rafael Salamanca Jr., Chair Feb. 28, 2023

Lower Manhattan's business district is the second largest in NYC and is one of the densest concentrations of commercial space in the country. Prior to the onset of the COVID-19 pandemic Lower Manhattan's office market supported over 250,000 private sector jobs, generated over \$2.4B in tax revenue for the city and provided employment for New Yorkers from every single community district.

The COVID-19 pandemic and the widespread adoption of remote work have had a substantial and ongoing impact on Lower Manhattan and commercial districts across the city. Today over 22% of Lower Manhattan's office space is vacant, a record setting high that eclipses vacancy rates seen after Sept. 11th and the 2008 financial crisis. Vacancy rates are particularly high in older Class B properties and exceed 30% in some segments of the downtown market.

While office occupancy varies dramatically across industries and building types it is clear three years after the pandemic began that hybrid/flexible work schedules are here to stay. Tenants are re-evaluating space needs and the reality is that some older buildings may no longer be viable as offices. It is imperative that the city and state governments provide property owners with the tools necessary to find sustainable and economically productive uses for these older office buildings, not just in Lower Manhattan but throughout the city.

Lower Manhattan has already demonstrated the viability of office to residential conversions. Since a series of less restrictive land use regulations were implemented in the district during the 1990s nearly 23M square feet of office space has been converted to residential. The neighborhood's population has grown from a little over 8,000 in 2001 to over 64,000 today. Those residents have been instrumental in supporting Lower Manhattan's many small businesses through COVID.

Many Lower Manhattan buildings are prevented from converting to residential either because they are overbuilt or were constructed after the 1977 cutoff for the city's existing residential conversion regulations. Extending the cutoff date to 1990 and eliminating the residential FAR cap would make a wider swath of office properties in Lower Manhattan eligible for conversion and would provide property owners with additional options to preserve the viability of these older properties.



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Residential conversion of older office properties is likely to be one of several key strategies that will enable Lower Manhattan to recover from the COVID-19 crisis. Supporting the neighborhood's ongoing development as a truly mixed-use district will help maintain the vibrancy and viability of one of our city's most important economic engines.

About the Alliance for Downtown New York: The Alliance for Downtown New York operates one of the largest business improvement districts in New York City. It manages the Downtown-Lower Manhattan Business Improvement District (BID), serving an area roughly from City Hall to the Battery, from the East River to West Street. For more information visit downtownny.com.



American Council of Engineering Companies of New York

#### Testimony for the Committee on Land Use Oversight Hearing: Residential Conversion of Commercial Buildings February 28, 2023

Good Afternoon, Chair Salamanca, and Members of the Committee.

The American Council of Engineering Companies of New York (ACEC New York) is an association representing nearly 300 engineering and affiliate firms with 30,000 employees across New York, with a concentrated presence in New York City. Many of our members have a business footprint and also live within the City's five boroughs. We thank the Committee for the opportunity to submit comments today on the important subject of this hearing.

ACEC New York as an organization, and many of our members, have a proud history of providing the technical expertise required to update, advance and amend City laws and codes to address critical modern needs. Our members design the structural, electrical, mechanical, plumbing, civil, environmental, fire protection and technology systems of buildings and infrastructure throughout New York City. We testify today to say that substantial, meaningful conversions of commercial building spaces into residential is not only possible, but will also have myriad benefits in terms of housing affordability, livability and job creation.

Following the COVID-19 pandemic there has been a decline in office space usage, a rise in vacancies, and significant uncertainties in the City's real estate market. Historically, the city has been dynamic in addressing challenges such as this. The current situation presents a tremendous opportunity for the city to rise up, adapt to- and overcome our current pressing challenges, once again. By updating and restructuring existing regulations, many buildings can be flexibly converted and re-used in a safe and environmentally sustainable manner to meet our city's housing needs.

ACEC New York therefore supports the proposals set forth in the Office Adaptive Reuse Task Force's and City Planning Department's Office Adaptive Reuse Study. Recommended measures include:

- Expanding/standardizing the range of buildings that are eligible for the most flexible conversion regulations;
- Allowing an expanded portfolio of offices to convert existing square footage to residential by adjusting Floor Area Ratio caps; and
- Providing financial incentives for conversions to take place.

To accomplish this requires the State government to amend the Multiple Dwelling Law. Fortunately, Governor Hochul's proposed budget this year includes provisions aligned with doing so. If and when the State accomplishes this, the City government will next need to amend the Zoning Resolution.

We therefore strongly encourage the City Council to do everything in its power to use this opportunity to upgrade City buildings and provide much-needed housing, while ensuring public health and safety. We will work with you and your colleagues in the State Legislature to support these initiatives and to make these bold ideas a reality.

If ACEC New York and our members' professional engineering expertise can be of assistance to you, please contact us at any time.

#### For further information contact:

Bill Murray Vice President of Metro Region, ACEC New York bill@acecny.org Taylor Palmer Government Relations Manager, ACEC New York taylor@acecny.org The American Institute of Architects New York is expressing its support for removing the Floor Area Ratio (FAR) cap of 12. New York City is estimated to need around 500,000 new housing units to address current demand. If the city does not meet this demand, housing prices will continue to skyrocket, leading to further economic hardship and displacement for New Yorkers.

The ability for architects to design sufficient housing is severely restricted by the FAR cap of 12, which effectively limits the density of a residential building. This prevents new buildings from holding enough units to meet the demand in the neighborhoods where they are built. Furthermore, it limits the amount of space that can be retrofitted for residential use in previously non-residential buildings. Cumulatively, these limitations prevent New Yorkers from getting the market-rate, affordable, and supportive housing they desperately need.

Removing the FAR cap would have other benefits as well, since density is critical for ensuring healthy and vibrant cities. Density encourages greater economic activity, reduces crime with increased "eyes on the street," and limits the strain on overburdened transit systems. In addition, sufficient residential density is critical to creating successful mixed-use neighborhoods, where spaces for homes, businesses, and recreation exist in proximity.

Capping density prevents business districts like Midtown Manhattan from transitioning to becoming mixed-use. This creates problems for the entire metropolitan region, which depends heavily on the wellbeing of New York's business districts. Lifting the FAR cap would create homes in empty office buildings while simultaneously creating a pool of workers living within walking distance of buildings that remain as office space.

It is essential that lawmakers allow architects to design sufficient housing and create mixed-use neighborhoods. The longer lawmakers wait to make this change, the further New Yorkers will suffer under the burdens of high living costs. The FAR cap should be lifted with the most immediate urgency.



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#### Written Testimony of SEIU 32BJ

#### New York City Council, Land Use Committee

Oversight Hearing - Residential Conversion of Commercial Buildings

February 28, 2023

SEIU 32BJ is the largest property services union in the nation representing 175,000 members across 11 states and Washington, DC., including more than 85,000 members in New York City.

The health of the commercial and residential property sectors in New York City is of vital importance to 32BJ's members, as is the supply of affordable housing. 32BJ members are the backbone of the property services industry – doorpersons, porters, handypersons, superintendents, janitors, security officers and other essential building service workers. 32BJ members have won strong contracts that have raised wage and benefits standards in our industries, but like many working families, members are still confronted by a lack of affordable housing in the City, particularly housing that is accessible to hubs of employment.

The union supports initiatives at both the city and state level to facilitate the conversion of underutilized commercial buildings to residential use. 32BJ Executive Vice President Denis Johnston served as a Mayoral appointee on the Office Adaptive Reuse Task Force which released its study and recommendation in January of this year. This study identified a number of regulatory barriers to conversion which can be overcome by city and state actions. We were pleased to see the Governor take heed of these recommendations and include amendments to the state multiple dwelling law in the executive budget. We encourage the council to similarly consider the necessary actions required at the local level to allow conversions for a greater pool of buildings.

Even with the easing of regulatory restrictions, the physical characteristics of office buildings means that it is likely to be only a small portion of commercial buildings that are viable for conversion. In the context of the current commercial and residential markets however, it makes sense to provide greater flexibility to owners to convert underutilized commercial spaces to in demand residential units.

The union additionally supports the recommendation contained in both the task force report and the executive budget to create a tax incentive for the inclusion of affordable housing in conversions and crucially, that such incentives include a requirement that building service workers employed at converted buildings be paid no less than the prevailing wage and benefits. Such a program would result in a win/win for working families — increasing the supply of affordable housing in dense, job and amenity rich neighborhoods, and ensuring the jobs created are family sustaining ones.

32BJ has proposed amending legislative text to the tax incentive measure contained in the executive budget to clarify the application the prevailing wage requirement, ensure no workers are unintentionally excluded, and to aid compliance. The union is happy to share



CTW, CLC

MANNY PASTREICH President

#### **JOHN SANTOS**

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these amendments with committee members. Assuming these technical yet important amendments can be made, we urge committee and council members to support the program proposed in the executive budget.

We thank the committee for the opportunity to provide these comments and for the ongoing support of members in our efforts to promote responsible development in the city. If you have any questions, please contact Deputy Political Director, John Tritt, at jtritt@seiu32bj.org.



Peter S. Kalikow Chairman Alfred C. Cerullo, III President/CEO

## Statement of the Grand Central Partnership, Inc. on Residential Conversions to the New York City Council Committee on Land Use

#### Oversight Hearing - February 28, 2023

The Grand Central Partnership (GCP) is a Business Improvement District (BID) serving an approximately 70 square block area in Midtown East surrounding Grand Central Terminal.

As one of the world's largest BIDs serving a district with 76 million square-feet of commercial, residential, and retail building space, our goal is to keep our Midtown East neighborhood clean, safe, and thriving. We believe that updating residential conversion regulations supports these goals in two important ways.

First, an updated conversion framework would provide flexibility so that our city can adapt to new challenges and uncertainty. In Midtown East, we have seen a dramatic recovery in both pedestrian traffic and retail activity over the last few years. In 2022, our district wide pedestrian volumes grew by 70% compared to 2021 reaching 81% of pre-pandemic (2019) levels by the end of the year. We also saw a 37% increase in new business openings in 2022 compared to 2021. Still, we continue to face ongoing challenges from the rise of remote and hybrid work, and we would support an effort that would allow our district to better adapt to these challenges.

Second, adding more residents to Midtown East will make it even more diverse and dynamic. While neighborhoods such as Downtown have seen success in making conversion regulations more permissible, outdated regulations have artificially limited residential development opportunities in Midtown. We support the Office Adaptive Reuse Task Force recommendations that would expand the

universe of buildings eligible for conversion and permit a broader array of indemand forms of housing.

We believe that Midtown East will always be the "World's Central Business District." However, we also recognize the opportunity for the neighborhood to become more mixed-use and rise to the challenges of a post-pandemic world.

For these reasons, we support an effort to rework conversion regulations that recognizes the need for flexibility, financial incentives, and the long-term challenges facing commercial districts like ours.

Thank you.



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New York City Council Committee on Land Use Thursday, February 28, 2023 Testimony of Garment District Alliance

Good afternoon, Chair Salamanca and members of the Land Use Committee. Thank you for holding this important oversight hearing on the topic of converting office buildings into residential uses including live/work spaces.

My name is Gerald Scupp and I am Vice President of The Garment District Alliance, a BID that encompasses the area from 35<sup>th</sup> to 41<sup>st</sup> Streets, Fifth to Ninth Avenues. We strongly support the efforts being made at the City and State level to incentivize the creation of residential uses in neighborhoods that will benefit from a mixed-use environment while providing the city with much needed housing.

This central business district is at the nexus of the most robust transportation network in the world including Penn Station, Port Authority, PATH, Grand Central, the Times Square subway hub, buses and trains to LaGuardia, JFK and Newark. However, with fewer residents per acre than anywhere in the five boroughs, this area is undervalued, underutilized, and does not function as a 24/7 neighborhood despite its' highly accessible and centralized location.

The Garment District is experiencing outsized challenges as we recover from the pandemic exacerbated by an onerous and outdated manufacturing zoning that was only partially modified in 2018. Historically, much of the underlying zoning in the district has been M1-6 manufacturing, precluding the opportunity for residential and acting as a disincentive for investment in the aging building stock. In 2005, through the Hudson Yards rezoning, the city allowed for some residential conversion, but without an incentive for housing, that option was overwhelmingly utilized to create 57 hotels.

Struggling to recover from the pandemic, social disorder in the District has also profoundly impacted the willingness of office tenants to return to the neighborhood. Many tenants are operating hybrid, crippling our retail and restaurants, but even more troubling, many are ending their leases to move their businesses elsewhere or permanently work from home. Lack of residential creates a dead zone in midtown, especially at night, which allows for a proliferation of crime, rampant drug use and other social disorders.

The current manufacturing zoning in NYC's central business district disregards a 60-year trend as fashion industry-related jobs, which at one time comprised over 90% of the district's employment has now dwindled to less than 10% of the workforce in the Garment District.

This a fortuitous moment in time wherein the city can both re-invent and revitalize this critical New York district while helping to ameliorate the housing crisis.

We urge the NYC Council to pass legislation and to work with the administration and the State to expedite enacting legislation that will enable office to residential conversions, lift the Floor Area Ratio cap, and incentivize conversions that will allow for a mix of market rate and affordable housing.

Thank you.



# NYC Council Planning and Land Use Division Oversight Hearing

## February 28, 2023 Testimony on Commercial Conversions

Good afternoon, my name is Charles Yu, Vice President, Economic Development at the Long Island City Partnership (LICP). Thank you for this opportunity to testify at this City Council's Planning and Land Use Division oversight hearing on commercial conversions.

LICP is the neighborhood development organization for LIC. Our mission is to advocate for economic development that benefits the area's industrial, commercial, science and technology, cultural, tourism, and residential sectors. The goal is to attract new businesses to LIC, retain those already here, engage residents and visitors, and promote a vibrant and authentic mixed-use community. LICP also operates the LIC Business Improvement District and LIC Industrial Business Zone (LIC IBZ), providing business services and assistance.

LIC has emerged as an authentic vibrant mixed-use community, which has proven to be an important attribute that enables us to better withstand and recover from the pandemic compared to other areas. People and businesses from all industries are moving to this great neighborhood to take advantage of the diversity in our neighborhood. It is important to preserve the mix of uses to ensure our community can continue to thrive and serve as one of the top regional production and employment centers.

Although our neighborhood has not seen a pattern of office-to-residential conversions and current proposals focus primarily on Manhattan, local stakeholders have expressed some deep concerns over the potential impact:

- Conflicts between industrial and residential uses LIC remains one of the most productive neighborhoods in the region. The experience of loft conversions in North Brooklyn suggests having residential near industrial uses will displace some businesses.
- Additional stress on aging infrastructure Our infrastructure was built a long time ago. and the aging infrastructure no longer serves the neighborhood's needs today. Significant investment is needed to match the continuing growth in population.

We urge the Planning and Land Use Division to investigate pathways to mitigate the concerns our community and businesses highlighted. We look forward to the opportunity to work with the Council to work out a plan to help lessen the local impacts of office-to-residential conversions.

On behalf of the LIC business community, I thank you for your consideration.

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February 28, 2023

Chairman Salamanca Jr and members of the Committee on Land use:

On behalf of our President and CEO Carlo A. Scissura, we thank you for the opportunity to testify today on this important topic. The New York Building Congress is a broad-based membership organization that consists of more than 500 constituent organizations and 250,000 skilled tradespeople and professionals, including architects, engineers, contractors, developers, and labor.

We want to start today by also thanking the Mayor, Commissioner Garodnick and his Office to Adaptive Re-use taskforce who outlined eleven sound recommendations to guide the city's process of converting office space to residential units earlier this year. Specifically, we want to highlight the following recommendations as we believe these are crucial to consider when exploring the adaptive reuse of office space:

- 1. expanding the number of buildings that can access the most flexible reuse regulations;
- 2. rezoning manufacturing districts in midtown west to allow new residential uses;
- 3. and pursuing a tax incentive program to include affordable housing and childcare facilities in these conversions, which closely relates to priorities outlined in our 2023 policy agenda.

At the State level, Governor Hochul proposed multiple changes in her FY 2024 Executive Budget to support these. Specifically, ELFA Part J, which would expand the eligible buildings authorized to convert to residential uses and exempt those buildings from the 12 Floor Area Ratio (FAR) cap. The FAR cap was instated 60 years ago, is largely arbitrary. It limits affordable housing construction, job creation, and the economic growth of New York City. Crucial Mitchell- Lama projects that house our middle class such as Tracey Towers and Manhattan Plaza could not be built today with the current FAR cap instated. Removing this for office space conversions and as a whole is a step in the right direction to combat the city's archaic zoning laws and spur sustainable development in central business districts, and near public transit.

Additionally, ELFA Part P, which would provide tax incentive benefits for affordable housing rental units in these conversions also



REBNY Testimony | February 28, 2023

#### The Real Estate Board of New York to

# The Committee on Land Use of the New York City Council on Conversions

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY thanks the Committee on Land Use for the opportunity to provide feedback at today's hearing regarding commercial conversions to residential use.

Twenty years ago, New York City was 302.6 square miles with a population under 8 million. Today, it is still 302.6 square miles with a population of 8.8 million people, a number we were not projected to reach until 2030. Given our production rates over the <u>past decade</u>, New York City is ten years ahead in our supply of people and ten years behind in our supply of housing.

Density is how housing growth can be accommodated in land constrained geographies. Currently, the New York State Multiple Dwelling Law (MDL) freezes the eligible age for buildings to convert and establishes a floor area ratio (FAR) cap of 12 to residential use in New York City. No other major city in the country has a residential density cap set by the State.

Meanwhile, we have older office buildings that are struggling. Working with HR+A Advisors and REBNY's leading commercial brokerage firms, analysis of CoStar data reveals a divide between Class A and Class B/C occupancy levels, leasing, and vacancy rates. Supporting this finding, REBNY recently released an <u>analysis</u> of location data from the firm Placer.ai, finding that Class A+ and A properties had a higher visitation rate than Class B properties in 2022.

We've seen these types of numbers in other challenging times, particularly in Lower Manhattan. But this time, due to the COVID-19 pandemic and the ongoing adjustment with how we balance where we live with where we work, this market shock and the adverse impacts to Class B and C commercial offices are not contained to one neighborhood.

Lower Manhattan is a prime example of how converting a neighborhood can provide an opportunity to support recovery from crisis. While Lower Manhattan starts 2023 with challenges in office occupancy and leasing, it did better than Midtown over the last several



years because it has a significant share of residential units. That is due to public policy decisions made in the 1990s when that commercial office market was struggling.

The challenges in the office market today represents an opportunity to address the housing crisis and the lack of housing production occurring in high-income areas, particularly in Manhattan below 96<sup>th</sup> Street. Fortunately, the Governor's Executive Budget on conversions supports these goals by proposing to amend the state multiple dwelling law so that buildings built before 1990 can convert to residential use and to create a tax incentive so that affordability can be financially feasible in complicated and costly conversions. While not all Class B and C office buildings are candidates for conversion, the Governor's proposal to amend the MDL will permit the City to implement the recommendations put forth by the New York City Office Adaptive Reuse Taskforce Study and benefit from these opportunities.

Additionally, the Governor budget proposal would allow the City to subsequently amend the 12 FAR cap which would subsequently allow for new residential construction subject to the City's Mandatory Inclusionary Housing (MIH) program.

Like all significant zoning text changes, it is the City Council who will act as the final approval body on the zoning text that will ensure existing conversions rules work better, and who will expand the geographic universe of eligible buildings. It is the City Council that will approve the neighborhoods where higher than 12 FAR is appropriate and ensure the Mandatory Inclusionary Housing (MIH) program is applied.

We appreciate the Council's leadership on the issue of conversions as one of a variety of tools to face the significant housing crisis we are facing. If the State Legislature can come to agreement in enacting the Governor's proposals on conversions, the tax incentive for affordable housing, and the 12 FAR cap, we subsequently look forward to working with the City Council to effectuate the local zoning changes that will also be necessary.

Thank you for the consideration of these points.

#### **CONTACT:**

#### Basha Gerhards

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promotes the equitable component to these conversions. The Governor's proposal would call for a tax incentive for at least 20 percent of units to be affordable from office conversions for households ranging from 40 percent AMI to 100 percent AMI with an average of no more than 70 percent AMI, making rents for 2 and 3 bedrooms south of 96th street below \$2,000, which is currently unheard of in Manhattan. Incentivizing investment in construction directly correlates to the creation of jobs and the overall health of our economy. Specifically, for every \$1 million spent on construction 8 jobs are created in NYC.

The New York Building Congress will continue to advocate in Albany for these changes, but strongly urge the council to also accept and support the proposals that could produce tens of thousands of new homes in Manhattan, and truly house all New Yorkers at every income level. Our members appreciate your continued support and stand ready to build new, affordable housing that will be yielded by these changes.



#### Greater Jamaica Development Corporation Testimony Oversight Hearing on Residential Conversion of Commercial Buildings

Good morning. My name is Justin Rodgers and I am President and Chief Executive Officer of Greater Jamaica Development Corporation. Now in our 56<sup>th</sup> year of service to the Downtown Jamaica and Southeast Queens community, GJDC is in favor of the resolution to enable office to residential conversion and incentivize affordability in the converted buildings.

Organizationally, we have always prioritized economic development through a variety of projects and programs. Accordingly, we have long advocated for increased affordable housing density, commercial expansion, and industrial development. Our efforts have resulted in significant construction of both residential and mixed use properties over the last few years. A key attraction of Downtown Jamaica is its proximity an access to a variety of transportation options. We are a regional transportation hub with Downtown access to Jamaica LIRR Station, AirTrain, 49 bus lines and 4 subway lines. Approximately 560,000 pass through Jamaica on a daily basis.

90-04 161<sup>ST</sup> STREET | JAMAICA, NY 11432 | 718-291-0282 | FAX 718-658-1405 | GJDC.ORG

Clearly stated, incentives which promote transit-oriented development benefit the people who live in Jamaica.

In addition, representing an underserved community of color, we are focused on ways to reduce the racial wealth gap which results in economic instability, reduced ability to deal with financial crises, and exacerbates societal divisions. We see home ownership as one critical tool in the struggle to close the racial wealth gap. Since this proposal will increase the amount of affordable housing stock in Jamaica and New York City, we are in favor of it. Specifically, lifting the 12 FAR Cap and facilitating office to residential conversions will increase housing inventory and this should result in greater affordability on both the rental and ownership market. As stated, ownership is a pivotal factor in building wealth and reducing the disparity of the racial wealth gap.

As a technical assistance provider to our IBZ, we appreciate that the proposal specifically protects IBZs from conversion.

Finally, the proposal strikes the right balance between office conversions and preserving Class B office space, especially with respect to the ability to continue a vibrant commercial market for small businesses and non-profits.

For all these reasons, GJDC empathically supports the proposal.



#### February 28, 2023

Good Afternoon Chairman Salamanca and Members of the Land Use Committee,

My name is John Sanchez and I'm the Executive Director of the 5 Borough Housing Movement, a coalition of business, labor, civics, and religious groups focused on expanding affordable housing across our city. We support office to residential conversions as a part of addressing the housing crisis. We also support Council Resolution 0503 calling on the New York State Legislature to pass legislation that allows for office conversions and creates a state tax benefit program for affordable housing through conversions.

The resolution highlights that the hands of the city are tied by decades-old state laws that prevent office conversions and more housing of all types, whether it be for-profit, non-profit or social housing from being built. Currently, state law prevents office conversions from happening based on the year a building was built or its location. We support a standard threshold of granting the opportunity for all buildings built before 1990 to have the option to convert. We also support the city, instead of the state, determining where the current residential FAR (floor area ratio) cap of 12.0 should be lifted.

The State FAR cap of 12.0 was passed in 1961 when NYC had 1 million less people. It limits how much affordable housing can be produced in NYC. Hundreds of buildings, ranging from NYCHA to Mitchell-Lama Co-Ops could not be built today due to the FAR Cap. The FAR cap also limits how much housing can be built through office conversions. For example if a commercial building has 20 floors with an FAR of 20, it can only convert 12 of those floors to satisfy the 12.0 residential FAR cap requirement.

Lifting the State FAR Cap doesn't automatically cause new construction, but allows the city to examine which areas of the city should have more apartments per floor. There are 149 census tracts that are most likely to produce housing that would surpass the 12.0 Cap if allowed to, with most of them being in Manhattan, south of 96th Street.

From 2014-2021, Manhattan south of 96th street built 5,523 affordable housing units. With a reasonable state tax incentive for affordability, we estimate Manhattan would nearly double its affordable housing production with the addition of office conversions. Manhattan doubling its affordable housing production is crucial both for fostering neighborhood income diversity and also easing the housing pressures in the other boroughs..

Over the last two decades nearly 200,000 Black New Yorkers left for other cities. New Yorkers are rent burdened and our city remains segregated by race and income. Black and Brown communities throughout the city have consistently produced higher numbers of affordable housing production than wealthier neighborhoods in NYC that are transit, employment, and amenity hubs. The city wants to change this, Albany must let it.



Nearly 70,000 New Yorkers sleep in shelters daily, voucher holders can't find housing, and other cities are building more than us. The 5 Borough Housing Movement supports City Council Resolution 0503 and urges the Council to continue its advocacy to the state legislature to allow NY to be a national leader in housing by returning to the NYC that became the biggest and best city in America, one with housing of all types and for people of all incomes. Allowing office conversions, empowering NYC by lifting the FAR cap, and providing a reasonable state tax incentive for affordability as part of office conversions are pivotal steps toward solving our housing crisis.

Sincerely,

John Sanchez

Executive Director



#### **Testimony**

New York City Council Hearing on Land Use Tuesday, February 28, 2023

Thank you for the opportunity to submit testimony on behalf of the 5BORO Institute - a think tank dedicated to advancing innovative and implementable solutions to tackle NYC's most challenging problems.

We write to express support for Reso. 0503 to call on the State legislature to:

- Expand office to residential conversions
- Lift the FAR cap of 12
- Create incentives to ensure that affordable housing is created once these transformations take place

Affordability has long plagued New York City and has reached a crisis point. Rents remain at record highs across the five boroughs and the trend has only worsened as we enter 2023. Affordable housing is the most cost-effective means to reduce childhood poverty and to increase economic mobility. It also bolsters the overall economy and GDP growth. Plainly, however, it is imperative that New York City remain a place where people of all walks of life can live and thrive. We need 560,000 apartments by 2030 and the vacancy rate for apartments renting below \$1500 is less than 1%. The lack of affordable housing means we are going to price people out of the city entirely.

However, the pandemic has fundamentally changed the way we work. Even as the city recovers, hybrid and remote work appears as though it is here to stay. Since the beginning of this year office occupancy rates have hovered at around 46%.<sup>3</sup> This is space that can be used to house people of all income levels.

In the interim, we believe it is key that the city maximize planned production and preservation of affordable housing units, as well as distribute the necessary rental assistance vouchers. This will require our City's housing agencies to be properly staffed. Office conversion will take time, and the City's production of affordable housing has slowed considerably due to vacancies across City government.<sup>4</sup>

New York is an increasingly unaffordable place to live and raise a family. Empty office spaces present a unique opportunity we must seize. 5BORO strongly supports the reforms necessary to allow for the conversion of office space to residential housing as we rebuild our city so that it can and will sustain and support future generations.

<sup>&</sup>lt;sup>1</sup> https://nlihc.org/explore-issues/why-we-care

<sup>&</sup>lt;sup>2</sup> https://www.ny1.com/nyc/all-boroughs/housing/2022/10/07/new-york-city-housing-supply-demand

https://www.crainsnewyork.com/commercial-real-estate/new-york-area-offices-remain-stubbornly-empty-4 6-occupancy-which-has

<sup>4</sup> https://fiveboro.nyc/staffing/



### TESTIMONY FROM THE ASSOCIATION FOR A BETTER NEW YORK SUBMITTED TO NEW YORK CITY COUNCIL COMMITTEE ON LAND USE REGARDING RESIDENTIAL CONVERSIONS

February 28, 2022

Good afternoon, Chair Salamanca and members of the Committee on Land Use. My name is Aaron Sanders, and I am the Public Policy Director at the Association for a Better New York. Thank you for the opportunity to provide testimony on behalf of ABNY in support of residential conversion of underutilized office corridors.

ABNY is a nonprofit organization representing community stakeholders, including corporations, nonprofits, unions, government authorities, and educational, cultural, and health institutions dedicated to the advancement and support of New York City's people, communities, and businesses. Our mission is to promote connections between the public and private sectors to make New York City a better place to live, work, and visit for all. ABNY's CEO Melva M. Miller is also a member of the New New York panel, which is a panel comprised of a diverse cross-section of civic leaders and industry experts charged with creating a shared City-State agenda to reimagine New York's commercial districts as vibrant 24/7 destinations, make It easier for New Yorkers to get to work, and generate inclusive, future-focused growth.

The COVID-19 pandemic exacerbated an ongoing housing crisis, impacting many New Yorkers. According to the New York City Housing and Vacancy Survey, conducted by the New York City Department of Housing Preservation and Development there is a <u>4.5 percent</u> net rental vacancy rate. This data point underscores the seriousness of the problem; there is simply a dearth of housing in New York City. As a result, housing insecurity has led to an exodus of New Yorkers, specifically from underserved communities. <u>Former residents</u> have cited increased rents and an increased cost of living as primary reasons for their departure. For example, according to an analysis from the Census Bureau, the city's black population declined by <u>9 percent</u>. In other words, 200,000 former black residents have left the city, often citing housing affordability as a reason. The City must intervene if we are to sustain these communities.

Outdated regulations should be reconsidered to meet the evolving needs of the City's housing market. The City's Zoning regulations as they are currently codified, impedes housing production through conversions. Additionally, these rigid regulations undermine creative solutions to solving the crisis. ABNY acknowledges the importance of thriving commercial spaces and the need for investment, but there is also an opportunity to strategically utilize underperforming commercial spaces in a manner that accounts for the burgeoning housing crisis while supporting commercial growth. Amending existing zoning rules would enable more

discretion in how underused, commercial space can be converted to new uses, including much-needed affordable housing in Commercial Business Districts (CBD's). Converting outdated office buildings to homes is one method to offload an excess supply of commercial office space while also helping to tackle the housing affordability and supply crisis. Flexible zoning regulations would allow for commercial property owners to balance the need for office space, while acknowledging the residential development. For this reason, zoning amendments are needed to strike a balance that benefits both commercial and housing real estate sectors. Additionally, repurposing how we conceptualize commercial business districts, would provide greater accessibility to the commercial business corridors.

Through coordinated leadership, both Governor Hochul and Mayor Adams, have expressed a goal of increasing the city's housing stock through residential conversions. In addition to the New New York Panel's recommendation, this housing solution, is also informed by Mayor Adams' Rebuild, Renew, Reinvent Blueprint for New York City's Economic Recovery, and Governor Hochul's State of the State Agenda. With the support of public and private leaders, the City can make zoning regulations less restrictive, thereby increasing housing supply and affordability prospects for housing insecure New Yorkers.

ABNY supports residential conversion of underused office space as the city tackles the housing affordability crisis.

Thank you.

Nicole LaRusso, VP of Americas Field Research and Data Intelligence, CBRE

February 28, 2023

Testimony to the NYC City Council Land Use Committee

"Thank you to the Land Use Committee for this opportunity to testify at today's hearing.

I am Nicole LaRusso, Vice President for Americas Field Research and Data Intelligence at CBRE, Inc – a commercial real estate services company. In my current role, I oversee our market research operation for the New York City office market. Prior to my work at CBRE, I spent 10 years as the Vice President for Planning and Economic Development at the Alliance for Downtown New York, working to promote the revitalization of the Lower Manhattan community in the wake of 9/11, the Great Financial Crisis and Hurricane Sandy.

Recently, I also had the opportunity to serve on Mayor Adam's Office Adaptive Reuse Task Force.

These roles have provided me with an informed perspective on the topic of converting office space for residential use. This is a very important subject, and I applaud the Council for undertaking this hearing and the additional study of this matter.

Residential conversion of office space played a transformative role in the history of Lower Manhattan, as a catalyst for change between the mid-1990s and today. In the decade before the end of the 20<sup>th</sup> century, Lower Manhattan's office market had been on a prolonged negative slide, with tenant migration to Midtown and outside of the city – resulting in office vacancy of over 20% and a dearth of economic activity and street life. The implementation of the Lower Manhattan Revitalization Program, which included financial incentives and regulatory reforms to encourage office-to-residential conversions in the area south of Chambers St, ultimately resulted in the conversion of nearly 20 million sq. ft. of underutilized office space into over 16,700 units of housing and 675 hotel rooms. This redevelopment brought tens of thousands of new residents to the area, diversifying the local economy, bolstering the property tax base and breathing new life into an area once in decline.

Today, the whole of New York City faces challenging circumstances not unlike those seen in Lower Manhattan in the 1990s. This time, it is not the migration of workers to other business districts, but the office populations' shift to remote work that has created a spike in office vacancy, which in Manhattan stands now at approximately 15.5%. The underutilization of office space has negatively impacted the investments of many property owners and investors, which will undoubtably lead to lower property tax assessments and tax revenue for the city. But more importantly, the change in where people work has harmed the health of the city's economic ecosystem, as the once robust daily influx of office workers has been diminished by roughly half, robbing many small businesses in the city's central business districts of the customers they have long relied upon. The consequences of fallow office space are lost income for small business owners and their employees, and lost revenue from property and sales tax for the city government.

CBRE estimates that the shift to remote work will result in a reduction in office occupancy of approximately 9-15% over pre-pandemic levels, resulting in tens of millions of square feet of vacant or underutilized office space. While newer or highly-renovated assets located in close proximity to mass transit nodes and offering a full host of modern systems and amenities will continue to attract tenants and maintain occupancy, the older office assets farther from transit hubs will likely struggle to compete in a world of lower demand for office space. This is a daunting problem; however, the lessons of the Lower Manhattan revival show that converting older office assets to residential use can be a powerful

catalyst for economic revival. With thoughtful policy interventions, obsolete office assets can be remade for residential use, and as in the case for Lower Manhattan, these interventions can help provide much needed new housing amid an ongoing housing crisis, restore and diversify the consumer base for small businesses and support the city's tax base.

Mayor Adam's Office Adaptive Reuse Task Force issued a report in January of this year that calls for several practical interventions to help increase opportunities for the office-to-residential conversion. The recommendations point to three main objectives and include a handful of specific actions:

- 1) Expand the Range of Buildings Eligible for the Most Flexible Conversion Regulations
  - Provide office buildings constructed before December 31, 1990 access to the most flexible regulations for conversion to residential use.
  - Expand conversion regulations to all high-intensity office districts.
  - Reevaluate centrally located, high-density Midtown zoning districts that don't allow new residential use.
- 2) Make Existing Conversion Regulations Work Better
  - Permit conversion of office buildings to a broader array of housing types.
  - Allow an expanded array of offices to convert all existing square footage to residential.
  - Enact several other changes related to parking, recreation space, and courtyards to make a broader range of conversions possible.
- 3) Provide Financial Incentives for Affordable Housing and Childcare Facilities
  - Explore and pursue a tax incentive to support mixed-income housing within conversions.
  - Implement a property tax abatement to incentivize retrofitting space for childcare centers.

I urge the Committee, the broader City Council and your colleagues in Albany to consider and support these recommendations. You'll be making an important investment in the future vitality and economic stability of New York City and its residents.



February 28, 2023

New York City Council Committee on Land Use 250 Broadway New York, New York 10007

Dear New York City Council,

Good afternoon. Thank you for the opportunity to testify before you today.

My name is David Wellspring and I have been a New York City resident since 2011. I am a 1st Vice President at CIM Group, a community-focused real estate and infrastructure owner, operator, lender, and developer. My role at CIM is to oversee major renovations and ground-up development projects in New York City and several other markets. Earlier in my career, I practiced architecture.

Today I am speaking on behalf of CIM, which was founded in 1994 and has completed many adaptive reuse projects in New York City, Los Angeles, Chicago, Austin, Atlanta and others – many of them underutilized office buildings that were converted to residential use. Examples include 100 Barclay in Manhattan, the Tribune Tower in Chicago, Seaholm Residences in Austin, and Gas Company Lofts and Sunset Vine Tower in Los Angeles. To date, CIM has delivered and has in the near-term pipeline approximately 1,500 units of housing created by renovating underutilized office buildings.

CIM enthusiastically supports expanding office to residential conversion legislation across all five boroughs as new housing units are needed across the city. We urge City Council and its partners in this initiative to consider the following:

- Future conversion opportunities should be expanded beyond central business districts from the get-go.
- Empty office space and a shortage of available housing stock is not a problem unique to Midtown Manhattan, and according to recent studies, the amount of underutilized office space is expected to continue to increase through at least this decade. Moreover, many commercial buildings in Midtown Manhattan would take years to vacate due to existing commercial tenant leases which stand in place despite actual office occupancy rates. However, buildings that are already vacant or partially vacant, which may lie anywhere in the city, could be repurposed for residential use more quickly. CIM proposes that there be an expediated residential conversion approvals process for buildings that are already completely vacant upon applying into a future conversion program.



- Office to residential conversions will require a change of underlying zoning in districts that may currently allow for office use but are not strictly zoned for office. For instance, office buildings in manufacturing districts that are no longer predominantly occupied by manufacturing uses may make good candidates for conversion.
- Despite high demand for residential units, Council and its colleagues in the City should consider the appropriate incentive programs to accompany conversions. The cost of construction remains exorbitantly high and is a major challenge to development. Without sufficient incentives, a conversion initiative is unlikely to produce the pipeline of residential units the City is seeking.
- Finally, consider the benefits of a robust office to residential conversion program. For one, conversion is an environmentally friendly strategy to put back into use underutilized buildings, and potentially creates a lower-waste, lower-carbon solution to producing new housing vs. new construction.

As a real estate professional and as a New York City resident who has experienced the challenges of a competitive housing market first-hand, I know how important this issue is to New Yorkers. I also know that the success of an office to residential conversion program lies in the details. CIM would appreciate the opportunity to participate in the ongoing conversations about this important initiative, and I believe that our experience in this area would be beneficial. Thank you.

Sincerely,

**David C. Wellspring** 1<sup>st</sup> Vice President, Development | | dwellspring@cimgroup.com



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Falcon Properties, Inc 147 West 35th Street, 16th Floor New York, NY 10001 Tel: (212) 302-3000

2/28/2023

New York City Council 250 Broadway, 14th Floor New York, NY 10007

# Testimony of Falcon Properties Inc for the New York City Council's Hearing on Office to Residential Conversions Florencia Masri, President and David Zaga, CEO

Good afternoon to the Chair, Council Members, and Council Land Use staff. We are submitting this testimony on behalf of our company Falcon Properties, in support of conversions from commercial office to residential use. Our comments are focused on the Garment Center, where our company has managed commercial real estate for over 4 decades. Founded in 1981, Falcon's portfolio today consists of approximately 350,000 square feet within several commercial buildings. Our testimony will address the history and future outlook of commercial real estate applicable to our portfolio, the feasibility of conversions for some buildings in our portfolio, the implications for housing policy, and finally our suggestion for a zoning change that would help address a current barrier to residential conversions within the Garment Center.

As many others will mention today, the pandemic adversely affected the commercial real estate sector in New York City substantially, and the reality is that hybrid work will continue to be a negative factor. Within the Garment Center, these adverse effects exacerbated already existing decline within the garment production industry. Starting in the 1950s, globalization has had the effect of dramatically reducing the number of jobs within the sector for nearly 75 years. The City has implemented zoning controls to protect the industry with the Garment Center. In 1987, the Special Garment Center District was created to address this decline. It was amended in 2005 to account for continued decline and vacancy. In 2017, the New York Times cited data that showed jobs in the district "drop from 13,607 in 2000 to 5,123 in 2015." It was further modified in 2018 to account for the continued decline and vacancy rates. Unfortunately, despite these measures, jobs in the sector still dropped by half in the four years preceding the pandemic from 2016 and 2020. This significant loss of jobs occurred despite the preventative zoning controls in place in the Garment Center since 1987. While the COVID-19 pandemic posed a sea-change moment for commercial real estate generally. for owners of buildings in the Garment Center also faced a rapidly shrinking tenant

base. As a result, vacancy rates in our portfolio have ranged from 25% to as high as 45% in the past few years.

We acknowledge that not all buildings are ideal for conversion due to design and architectural constraints (particularly for buildings with larger footprints that may have limited access to required light and air). However, we have identified characteristics of many buildings in our portfolio that would make them ideal for conversion, including:

- 1. **Open floor plans:** Many Garment Center buildings were designed to accommodate manufacturing and production spaces, typically with open floor plans that allow fewer issues with subdivision into quality housing units.
- 2. **High ceilings:** Ceilings designed with the height necessary for manufacturing and production space, results in more spacious and livable residential space, and would also accommodate loft spaces where appropriate.
- 3. Large windows: Buildings in our portfolio have large windows, which would provide natural light and air while connecting residents to the surrounding neighborhood. These windows can also be ideal for cross ventilation to help improve indoor air quality and reduce the need for air conditioning.
- 4. **Structural stability:** Garment Center buildings were designed to support heavy manufacturing equipment, and would offer residents a measure of insulation from surrounding noise and vibration.
- 5. **Opportunity for Modern Design:** Shifts in housing preferences post-pandemic include more people looking for improved layouts in apartments that allow for multi-functionality including accommodating work from home. Conversions present an opportunity to develop housing through this lens.

Third, conversions can have an immense impact on attaining housing growth goals while maintaining existing neighborhood profiles. Leaders like Speaker Adams, Governor Hochul, and Mayor Adams all agree that housing growth is necessary, both in-City and Statewide. Office to residential conversions are a great way to attain these goals in transit-rich areas like the Garment Center while maintaining the existing built character of the neighborhood. By repurposing existing buildings rather than constructing new ones, costs and environmental impacts compared to new housing construction are greatly reduced. Conversion would also lead to increased demand for local businesses and services, and a corresponding increase in local economic activity. We anticipate a much higher demand for residential units versus the current demand for commercial space within our portfolio based on the ideal location within central Manhattan, easy access to mass transit, and existing neighborhood amenities.

With respect to the Garment Center zoning, the Special Garment Center District has unfortunately not been able to protect the garment production industry that once thrived within the neighborhood. It is now outdated and no longer able to serves the goals of retaining adequate wage and job-producing industries within the Garment Center; providing an opportunity for apparel production and showroom space in designated areas of the Garment Center; or preserving a variety of types of space for a diversity of

businesses that service the Garment Center. Instead, it now serves as a barrier to the production of new housing through residential conversions. In particular, there is a prohibition on residential conversions for certain buildings larger than 70,000 square feet in C6-4M zoning districts in Subdistrict A-2, which is generally located on portions of four blocks between Eighth and Ninth Avenues on West 35th Street to West 39th Street (per Zoning Resolution Section 121-12(b)). We suggest removal of this prohibition on residential conversions within Subdistrict A-2. This narrowly tailored change to the restrictive zoning would unlock the potential for residential conversions of a limited number of qualifying buildings within the larger Garment Center. Any conversion would remain subject to other zoning requirements for residential conversions (and notably, residential conversions in buildings less than 70,000 square feet would continue to be permitted). Moreover, there are many building-specific factors to consider in determining whether potential residential conversion is an appropriate option, including floor plate size, transit access, surrounding availability/utilization of commercial space, and surrounding availability of housing. Accordingly, removing the zoning prohibition on residential conversion of certain buildings would promote housing growth without threatening segments of the production industry that still thrive within the Garment District.

In closing, we thank the City Council for holding a hearing to explore commercial to residential conversions, and our own Council Member Erik Bottcher and Council Land Use for inviting us to provide testimony.

The Council of the City of New York

Committee on Land Use

Hon. Rafael Salamanca Jr., Chair

Oversight: Residential Conversion of Commercial Buildings

Committee Meeting: Feb 28, 2023

Written Testimony, submitted via email March 1, 2023

Kenneth Gill

NY, NY 10011

Resident: Manhattan Community Board 5, City Council District 3

#### **Qualifications:**

- \*20+ year career in institutional finance (including commercial / residential property)
- \*Graduate Studies at Tulane University School of Architecture Sustainable Real Estate Development
- \*New York University Wagner School of Public Service Master's in Urban Planning Candidate

I respectfully submit this information for the consideration of the New York City Council, Committee on Land Use, in re: Residential Conversion of Commercial Buildings. It is intended as a statement of strong support for the plan.

#### Adaptive Re-use and Carbon Emissions.

"The greenest building is one that is already built." – Carl Elefante, President, American Institute of Architects, 2018

The contribution of the built environment to total global carbon emissions cannot be overstated. According to the US Energy Information Administration<sup>1</sup>, in 2021, the building sector accounted for 39% of total energy use, higher even than transportation (37%). The total breaks down as energy used for building operation (residential = 16%; commercial = 12%) and building construction (11%). The energy used for building construction, or, 'embodied carbon' can be saved in building re-use.

That, combined with efficiencies in the operation of the building during the repurposing (updated heating/cooling/lighting/fenestration) can significantly reduce the carbon footprint of New York's built environment.

This benefit may be considered not only for the office-to-residential conversions currently contemplated, but for any adaptive re-use. For example, there are at least 12 Catholic schools slated to be closed after the current academic year by the Archdiocese of New York. These buildings lend themselves to senior (supported) living given that they often contain one or more large spaces for communal activity, have classroom space which is often comparable to the square footage of a small apartment, and have hallways and egress typical of that required by building regulations for an institutional (rather than residential) building.

<sup>&</sup>lt;sup>1</sup> Frequently Asked Questions (FAQs) - U.S. Energy Information Administration (EIA)

Using closed schools in this way will preserve their embodied carbon, accommodate the expectation of a sharp rise in need for senior living, and allow seniors a better likelihood of finding housing near where they (and family members) currently reside.

By way of example, in 2017, NYS DCR provided \$10.5 million in funding to convert a former school into a 38-unit affordable and supported housing facility.<sup>23</sup>

<sup>2</sup> <u>Governor Cuomo Announces Grand Opening of \$10.5 Million Affordable and Supportive Housing Development in Tonawanda | Homes and Community Renewal (ny.gov)</u>

<sup>&</sup>lt;sup>3</sup> Highland School Apartments - People Inc. (people-inc.org)

Tel: (718) 681-2361

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February 27, 2023

Good afternoon.

My name is Bishop Raymond Rivera and I am the Founder & President at Latino Pastoral Action Center, Inc.

As a faith-leader, I am a proud of the Bronx and I appreciate its beauties. I appreciate the Latino and Black history that's become synonymous with this beautiful borough.

It's great to see more people realizing the Bronx's beauty and want to move here. What worries me, however, is why they're moving here. The reality is that Manhattan hasn't done its fair share in creating affordable housing. Instead of creating new apartments, the housing stock is shrinking. That's driven rents up and forced people into the outer boroughs.

Like always, Black and Brown New Yorkers always pay the biggest price for this. If you're a young Black or Latino New Yorker today, you have to take a really hard look on whether you can actually raise a family here. This is the greatest city in the world, but others are starting to look pretty nice.

That's because they have the housing stock at an affordable price. You don't have to shell out an arm and a leg for a 600-square-foot one bedroom that gets even tighter when your first baby comes. Something has to change.

There are a few things that the State of New York can do literally in the next few weeks:

- Expand office to residential conversions
- Lift the FAR cap of 12
- Create incentives to ensure that affordable housing is created once these transformations take place

These are relatively simple steps that could put a dent in the 500,000 homes experts say the City needs within the next decade to meet the demand. The City Council has an important role to play here. Parts of Midtown will need to be rezoned, like the Mayor has proposed, to pave the way for these conversions to happen.

It's clear this body is ready to get the job done here if Albany does its part. While it is not being heard today, Reso. 0503 calls on the State Legislature to make those necessary reforms. Those of you unfamiliar with it should look at the co-sponsors; if Council Members Yeger and Caban can agree on something, it's probably a good idea everyone agrees on.

We are at a crossroads in New York. Our City and State leaders can either be bold and act on what we are here testifying in support of, thus creating thousands of homes that will propel the next generation into the middle class. Or it can be business as usual, in which the right homes are not built for the people who need them. I urge you all today to be bold, work with your colleagues in Albany, and create a better New York for Black and Brown communities.

In peace and Freedom,

Bishop Raymond Rivera

LPAC Founder & President



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February 28, 2023

The New York City Council Committee on Land Use City Hall New York, NY 10007

Dear Chairman Salamanca and honorable members of the Committee on Land Use:

Thank you for inviting us to provide testimony about Governor Kathy Hochul's and Mayor Eric Adams' proposal to encourage the conversion of office building to residential units in central business districts in New York City. We support the necessary changes to state laws and city zoning requirements to allow this proposal to move forward. However, we respectfully request that the Council expand this opportunity beyond select business districts. This proposal should apply to all commercial buildings in the outer boroughs and rules should be flexible.

There are corresponding problems that arise when commercial vacancies are high and demand is low. A poor office sector can severely weaken the recovery of New York City which depends on the jobs and tax revenue that commercial buildings provide. For example, New York City collected about \$6.8 billion in property tax revenue from office towers in the fiscal year that ended in June 2022, approximately 9 percent of its total tax revenue, down from \$7.5 billion in the previous fiscal year. In fact, the market value of office buildings in the city fell \$28.6 billion in 2021, a decline not recorded since at least 2000 according to the Office of the State Comptroller. <sup>1</sup>

The outer boroughs find themselves at a severe disadvantage compared to the central business district of Manhattan. Many commercial buildings outside Manhattan are older and employers that do seek new leases are leaving for new and better-equipped buildings in Manhattan such as the far west side. This problem was exacerbated by the COVID-19 pandemic and the situation will get worse given the increased cost of buying and refinancing properties combined with declining property values.<sup>2</sup> As remote work remains in place and employers look to adapt to a new economic reality commercial buildings in the outer boroughs cannot compete with Manhattan and other states.

There is a correlation between the problems of commercial buildings and housing pressures in the outer boroughs. The city's housing supply shortage is severe while demand is especially high in Queens and Brooklyn.<sup>3</sup> Conversions will bring new life to neighborhoods with under-utilized office

1 https://www.nytimes.com/2022/11/17/business/office-buildings-real-estate-vacancy.html

<sup>&</sup>lt;sup>2</sup> https://www.wsj.com/articles/office-landlord-defaults-are-escalating-as-lenders-brace-for-more-distress-894938c0

<sup>&</sup>lt;sup>3</sup> https://www.ny1.com/nyc/all-boroughs/housing/2022/10/13/high-manhattan-rents-leading-to-more-competition-in-queens-and-brooklyn

buildings while increasing housing options. New residents will generate more economic activity for local businesses and tax revenue for New York City. In addition, many of the vacant commercial buildings in the outer boroughs are already in or on the edges of residential neighborhoods. These areas have pre-existing access to mass transit, schools, and parks allowing for a seamless increase in residents.

For these reasons we respectfully request that the Committee on Land Use consider the inclusion of the outer boroughs in this office to residential conversion proposal. We appreciate this committee's attention to our testimony. Please contact us with any questions.

Sincerely,

Jeremy Farrell Managing Director LeFrak Oversight Hearing—Residential Conversion of Commercial Buildings
Testimony of Mark A. Willis
Senior Policy Fellow, Furman Center for Real Estate and Urban Policy
New York University

Before New York City Council Committee on Land Use Rafael Salamanca Jr., Chair February 28, 2023

Thank you for inviting the NYU Furman Center to join this panel to testify on the economics of converting office/commercial buildings to residential and of including an affordability requirement.

There is no evidence that the City or State need to intervene in owner's choices of which buildings or how many buildings to convert. The City and State should remove the barriers to conversion that now exist in the zoning resolution, multiple dwelling law, and other regulations, but there is no evidence that subsidies or other interventions are necessary to spur conversion.

But the conversions pose a once in a generation opportunity to bring affordable housing to midtown, a neighborhood that has very little affordable housing and is one of the least diverse of the city's neighborhoods and has incredible public amenities and opportunities. Securing affordable housing in the conversions will require both the imposition of MIH and some subsidy for the lower rents in the affordable units.

My brief remarks today can only touch briefly on some key issues, but an expanded version of this testimony will lay out more detail about why conversions are appropriate, what some of the dangers of conversions are, and why intervention to spur conversions is not necessary at this point.

We learned from the experience downtown that conversions will not provide affordable housing unless required and incentivized to do so. It would be a terrible waste of what is really a generational opportunity to provide affordable housing in neighborhoods that now offer very little affordability to repeat those mistakes.

Under the City's MIH program, whenever zoning changes encourage the creation of new multifamily housing, MIH should be triggered to require affordability in the new, rehabbed, or converted buildings.

There is a danger that the state could authorize conversions in such a way as to avoid MIH, but that would undermine the City's carefully crafted MIH program and undercut the City's and City Council's role in critical land use decisions.

There is no question that affordable housing is needed, and indeed is critical to providing the lively mixed-use neighborhoods that conversions are meant to create. We have compiled data that show how little affordable housing is in the neighborhoods that would likely see conversions, but I trust that your travels through those neighborhoods gives you a good sense of just what a missed opportunity it would be if conversions result primarily in condos at the top of the residential and investment market.

To require and secure affordability without making conversions too expensive to go forward, the state will need to authorize, and the city will need to craft, some exemption from property taxes to make up the shortfall in rent in the affordable apartments. MIH was designed to work with a tax exemption, but 421-a has not been renewed. Some exemption will be necessary; otherwise, the affordability requirements of MIH would make the buildings unlikely to convert.

#### Why might some degree of conversions be beneficial to the city?

First, residential conversions could be an important way to help address New York City's housing shortage. Conversions could be cost-effective in bringing significant amounts of new housing to the marketplace, creating a more competitive marketplace that would benefit both renters and homebuyers.

Second, depending on the degree of demand for commercial space going forward, there is a risk that commercial space will be underused and may even become abandoned, imposing harm on surrounding neighborhoods. It is important that the city remain an attractive place for people to live, work, and/or raise a family, and office to residential conversions could help to achieve this.

Third, the underuse of office space could lead to a waste of the existing infrastructure in these commercial districts, not least of which is the extensive transportation system. Allowing these types of areas to go relatively underused and in turn forfeiting the full benefits of these investments.

Fourth, allowing buildings to languish would unnecessarily weaken New York City's tax base. These properties pay taxes according to their net operating income (NOI). If NOI significantly declines, so too will property tax revenue. Converting those buildings to a use that produces positive net operating income would be preferable.

#### What should the city do?

As the demand for office space changes over time, it seems quite likely that conditions will favor some degree of residential conversions. The shifts in demand for office space, coupled with the type of regulatory relief that has been discussed at the state and local level, such as changes to the Multiple Dwelling Law, Zoning Resolution, Housing and Maintenance Code, and Building code, would likely mean that going forward, conversions will take place without any government intervention, simply because it will make economic sense to do so.

#### Should office conversions include affordable housing?

Up to this point we have talked only about market-rate conversions, but policymakers should want to add an affordability component to the high-end housing that would otherwise be all that is created. There are numerous reasons.

From a fair housing perspective, for example, the opportunity to add affordable housing to Manhattan which is such a well-resourced neighborhoods would help fulfill the city's requirement to affirmatively further fair housing. The city recognized in its *Where We Live* analysis, additional affordable housing is needed in higher opportunity areas where few racial or ethnic minorities live. It cannot be ignored that the neighborhoods most likely to experience new housing from conversions are among the best resourced, but most least diverse neighborhoods in the city.

### Should the state and city subsidize affordability?

Given a public interest in creating more affordable housing and consistent with relying on the market to govern conversions, it would make sense to provide a subsidy to cover the costs of the affordable apartments so as not to affect a developer's choice of use for the building. Such a subsidy would need to be sufficient to offset the effects of the loss of rental income on the building's gross revenue.

Lots more work needs to be done on how to provide a tax exemption for affordability that does not overly-subsidize the conversion's affordable units. We have done some work with a simplified version of the type of real estate pro forma that developers would use to estimate how much the conversion would allow them to pay to purchase the building. We considered an affordability requirement of 25 percent of the units having an average rent affordable to households at 60 percent of AMI. Our rough assessment is that an exemption of roughly half of the taxes would be sufficient, but again, more public discussion of exactly how to craft an appropriate subsidy tailored to different rental markets is needed.

Whether conversion works for a specific building depends not just on the market rent for residential but on the construction costs for the conversion and what the building is worth if it continues for commercial use.

#### Conclusion

In conclusion, ensuring policies that lead to mixed-income residential buildings from conversions should be a primary focus of elected officials. There is no evidence that, save for re-assessing code requirements that may be inhibiting conversion, that the government needs to intervene at this time except to include an affordable housing component with a property tax benefit to offset the decrease in income, thereby leaving owners to assess the potential advantages of a conversion.

Given the difficulty of predicting how different types of office buildings in different neighborhoods will fare over the next few years and over the longer run the city will want to closely monitor how many buildings are being converted, in what neighborhoods, and what kinds of buildings to be able to make the most of the opportunity to maintain an alignment of the amount of office space with the potential to add both market rate and affordable residential units.

With that in mind, nimbleness should be a priority, which suggests that New York City should have as much flexibility as possible to adjust its taxing, zoning, and building code policies as more experience is gained and as the city's economy continues to evolve.

There are many aspects of conversions that require further thought. We appreciate the Committee's attention to these important issues, urge the committee to put affordability and fair housing at the center of the debates, and stand ready to provide whatever data and analysis could be helpful to the committee.

I would be happy to answer your questions.



77 St. Nicholas Avenue, New York, New York 10026

Rev. Dr. Johnnie M. Green, Jr.

President & CEO

Rev. Dr. Carl L. Washington, Jr.

Chairman

Rev. Patrick H. Young

General Secretary

#### Good afternoon.

My name is Rev. Dr. Johnnie Green and I am the President & CEO of Mobilizing Preachers and Communities (MPAC-NY). MPAC is a Non-Profit Civil Rights and Faith Based organization, comprised of clergy and community united together for the purpose of impacting public policy through civic engagement, to ensure justice and equality for all people.

Today, I want to talk about an injustice committed against Black and Brown New Yorkers that spans generations. In 1961, the State of New York passed the Multiple Dwelling Law that capped the floor-area ratio at 12 to prevent against what officials considered "vertical slums." That meant the number of apartments on a floor was severely limited and so too was the growth of New York City.

This meant that many of the bastions of affordable housing – from Manhattan Plaza in Hell's Kitchen to Tracey Towers in the Bronx – could not be built if they were proposed today. Now, the average Manhattan rent has exceeded \$4,000. There is a real human impact from that. Black and Brown outer borough communities have been gentrified to the point where some are unrecognizable.

Imagine an alternate universe where the cap had been lifted a generation ago, we would have been able to create an estimated 86,000 homes within half a mile of mass transit. Black and Brown New Yorkers who have been cast off to transit deserts would have had better, more affordable commutes. No, those wouldn't fill the estimated half-a-million units experts say the City needs by the end of this decade, but it's a pretty good start.

I am here to say that enough is enough. Stop letting this pre-Civil Rights Act policy govern our future. Stop making this City increasingly inhospitable for Black New Yorkers, especially the younger generation, who cannot see a future here under the status quo.

Now, this ultimately falls on Albany to make this change. State lawmakers hold the balance of our City in their hands. They can either enact the changes proposed in Governor Hochul's budget that would expand office-to-residential conversions and incentivize affordability or continue to let Manhattan's housing stock continue to shrink until it disappears. There are no other alternatives here.

For its part, the City Council has tried to solve the housing and affordability crisis. Through budgets and rezoning, you have sought to ensure the people who built their families in a certain neighborhood can <u>stay</u> in that neighborhood. But the reality is that generations of your predecessors were hamstrung by the FAR cap that blocked the creation of affordable housing in Manhattan.

My ask of you today is simple: if Albany acts on this call, get to work. Mayor Adams has proposed rezoning the Garment District for residential use. That will unlock housing within walking distance of almost a dozen subway lines. Council Member Bottcher has signaled this is the right thing to do. Take this once-in-a-generation opportunity and run with it.

This can be the Council that finally flips the switch on the housing crisis. You can deliver the relief Black and Brown New Yorkers have only dreamed of until this point. I'm here asking you and your colleagues at the State level to stop wishing and hoping for the perfect policy. There is no magic bullet. We need all hands on deck to come up with creative solutions like office-to-residential conversions to start chipping away at this crisis.



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Rev. Dr. Johnnie M. Green, Jr.

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Rev. Dr. Carl L. Washington, Jr.

Chairman

Rev. Patrick H. Young General Secretary

Thank You,

Rev Dr. Johnnie Greer President & CEO

MFAC-NY



# Testimony of Patrick McClellan, Policy Director, New York League of Conservation Voters City Council Committee on Land Use Oversight Hearing on Residential Conversion of Commercial Buildings February 28, 2023

Good afternoon, my name is Patrick McClellan and I am the Policy Director at the New York League of Conservation Voters (NYLCV). NYLCV is a statewide environmental advocacy organization representing over 30,000 members in New York City. Thank you, Chair Salamanca and members of the Committee on Land Use for the opportunity to submit testimony today.

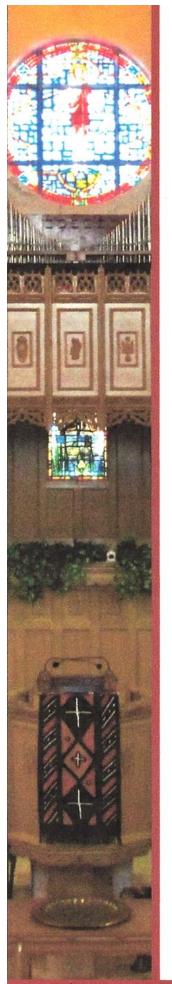
NYLCV supports allowing commercial-to-residential conversions and necessary State legislation to make doing so easier. There are three environmental and climate arguments for encouraging these conversions.

First, adding more housing in dense, walkable, transit-oriented, mixed-use neighborhoods is by far the least carbon-intensive type of housing we can develop. New York City's housing crisis clearly indicates that there is significant unmet demand for this type of housing, so it makes sense to use all of the tools at our disposal to create more of this climate-friendly development, including both commercial-to-residential conversions and other zoning tweaks like encouraging more transit-oriented development near Metro North and Long Island Railroad stations that are within the city limits.

Second, adaptive reuse of existing structures allows us to minimize the production of what is called "embodied carbon" - all of the emissions from producing the concrete, steel, lumber, and other materials that go into building a new structure from scratch - and minimize emissions from construction and demolition waste. While converting an office building in whole or in part into a residential building is no small renovation project, it still involves much less dust and debris than demolishing a building and replacing it with an entirely new structure.

Third and finally, any office building converted for residential use would need to be brought up to the standards of the most recent energy code, and because the office buildings that are the best candidates for residential conversion are likely to be somewhat older and less recently renovated than their peers this would in many cases mean large improvements in energy efficiency. Beginning in 2027, any conversion would also be covered by the City's law banning on-site fossil fuel emissions, delivering further emission reduction benefits from these conversions.

Thank you again for the opportunity to submit testimony. I would be happy to respond to any questions about my testimony if you contact me at <a href="mailto:pmcclellan@nylcv.org">pmcclellan@nylcv.org</a>.





February 28, 2023

I am Reverend Adolphus C. Lacey, Ph.D., and pastor of Bethany Baptist Church of Brooklyn, New York. I offer this testimony to urge the New York City Council to do what it can to curb the housing crisis displacing Black and Brown people from their communities. While the Council's ability to expand the office to residential conversions is limited, you have a voice that your colleagues in Albany certainly hear.

The FAR cap of 12 was imposed in 1961 yet remains a barrier to creating new housing today. This was passed under the administration of Nelson Rockefeller, the same governor who later passed archaic drug laws that confined generations of Black and Brown New Yorkers to decades behind bars. Why is it that we continue to be governed by a housing law equally as outdated and misguided? Lifting the FAR cap of 12 will open the City Council to think outside the box when it comes to creating new affordable housing. It's time to start building in New York, It will create jobs. It reinforces the opportunity ladder. And it will lead to new affordable housing in New York City.

Nowhere could use it more than Manhattan, south of 96<sup>th</sup> Street. The rest of the boroughs have done a lot of the heavy lifting to create new affordable housing, while the borough has staggered behind. State lawmakers have an opportunity for the island to catch up by lifting the FAR cap of 12 and expanding the ability to convert empty office space into housing. Governor Hochul has proposed doing just that in her executive budget, with an incentive to ensure affordable housing is created in the process.

Our organization hopes that your partners at the State level will listen to our call in the next several weeks and deliver this relief for our housing crisis. Doing so can create thousands of new units in the coming years, which is vital when considering the existing need in this City. That translates to thousands of middle-class families living closer to mass transit, closer to their jobs, closer to crucial services and amenities. The future of New York can be a lot brighter if we take these simple steps.

The City Council has a role to play here as well. Mayor Adams' proposal to rezone the Garment District for residential use hinges on Albany's action. If the State Legislature does act, the Council will be the ultimate arbiter of this and other rezonings to unlock more housing in Manhattan. This will not be easy, but I am confident this Council can get the job done. With the COVID-19 pandemic entering its next phase, so does our recovery. This is an opportunity to ensure that recovery is a just one with more housing and chances to grow. We hope our City and State leaders will take this challenging, yet impactful opportunity to create a better New York. Thank you.

With expectant hope,

Rev. Adolphus C. Lacey, PhD

Senior Pastor

#### Testimony of Robert Schiffer, SL Green Realty Corp.

- Good morning, I'm Robert Schiffer, Executive Vice President for Development at SL Green, New York's largest owner of office real estate.
- At SL Green our business is 100% here in New York City, primarily in Midtown. Our belief in the future of office space here has not wavered, and we continue to see enormous demand for the well-located, class A office space that comprises our portfolio.
- Nonetheless, there is a subset of the office market that is struggling to attract and retain tenants, leading to record vacancies. A recent C&W report found that by 2030 nearly 25% of the country's office space will be obsolete. New remote work policies have only exacerbated the problem.
- Public policy interventions are needed to help struggling owners stabilize these assets in a way that will support
  neighborhoods and local businesses suffering from a large drop in pedestrian traffic, stave off drops in
  commercial tax revenue collection and address the city's ongoing housing crisis by allowing conversion to
  residential use.
- We support the Governor's proposals to broaden the age of building eligible to convert, create a meaningful tax incentive for affordable housing, and allow the City to revise the 12 FAR cap in appropriate neighborhoods, like Midtown and Garment Center, where that level of density already exists.
- However, we don't think these interventions go far enough to create the desired number of residential units. Today I'd like to share a few ideas that we believe can help us all achieve our goals:
- First, we should make more buildings eligible for conversion by **entirely removing the limitation based on the age of the building, as well as revising the FAR cap**. In the appropriate neighborhoods, we shouldn't force owners to continue existing office use simply because the building was built on or after a certain date.
- Second, we must not limit conversions to the tower portions of office buildings. We must find a solution to address the biggest physical challenge to conversion, the podiums of office buildings where most of the square footage of an office building is located.
- Large co-living spaces (kitchen, dining, living area) young professionals facing a street or avenue combined with a limited number of in-line windowless bedrooms is the solution for floor plates with core-to-glass depths that can be as large as 85 feet. Modern building technology has advanced to the point where the concerns that paved the way for the creation of the 30' rule are null and void.
- To successfully convert podium floors, we propose replacing the 30' rule with new guidelines:
  - A distance from "light" as great as 85 feet
  - A replacement of "air" with technological and mechanical advances:
    - Higher than code required fresh air though a DOAS system
    - Artificial Intelligence fire detection and suppression systems
    - Improvements to the building code for fire rated partitions
- Finally, and far and away most importantly, we urge the City and the State to provide for a **full tax abatement** to overcome the cost of conversion and the cost of providing affordable units. Given issues of tenancy and longer construction durations we question whether the standard three year exemption is sufficient.
- The current budget proposal, providing for only a 50% abatement, for only 19 years, will not provide enough financial mitigation to offset these costs, and believe only a partial mitigation will not result in the desired tens of thousands of additional units being delivered in the near term. We ask the Governor to reconsider whether or not state bonds should be incorporated into the budget to subsidize financing costs.
- Thank you for your time and consideration.



### Testimony to be Delivered to the New York City Council Land Use Committee

#### Re: Oversight - Residential Conversion of Commercial Buildings

### Tuesday, February 28, 2023

Good afternoon. I want to thank the Land Use Chair Salamanca and committee members for holding today's hearing and for the opportunity to testify.

My name is Lourdes Zapata, and I am the President and CEO of the South Bronx Overall Economic Development Corporation, also known as SoBro. For more than 50 years, SoBro has enhanced the quality of life in the South Bronx by strengthening businesses and creating innovative economic, housing, educational, and career development programs for youth and adults.

Since its founding in 1972, SoBro has served more than 20,000 students, helped to create and retain more than 40,000 jobs for area residents, and created the climate for hundreds of millions of dollars of capital investment into the South Bronx. SoBro has also built and rehabilitated almost 260,000 square feet of industrial, retail, and office space in the city — creating a surplus of jobs and attracting new businesses and residents. I would like to thank the City Council for its continued support over the years for many of the programs that have made our success possible.

Establishing affordable housing and commercial space that reverses blight in the community is central to our community development work, which produces life-changing economic effects on the lives of individuals and families in the Bronx and Harlem. With the state's highest unemployment and poverty rates, SoBro's salient work in these communities actively rebuilds neighborhoods that have suffered from decades of disinvestment. Today we stand at a crossroads where the decisions we make today will foreshadow the future of New York City for generations to come.

As you know, New York City is facing a grave affordability crisis. The need for an immensely larger housing supply to surmount housing insecurity and homelessness has never been more critical, especially for communities like the South Bronx. Manhattan, in particular, has seen an insufficient creation of apartment rentals, including those below market rate—the result has been burgeoning housing pressure in the Bronx and the other outer boroughs as people look for lower prices. This has led to increasingly higher rents and growing concerns around gentrification, as the most vulnerable individuals are susceptible to housing insecurity and homelessness.

We appreciate the City Council's increased attention to addressing these long-standing issues. We urge you to continue to work with the Mayor and New York State to allow office conversions and to lift the Floor Area Ratio, also known as the FAR cap. Both of these measures would produce an opportunity like no other, one that would mitigate the pressure many communities

like the South Bronx feel by generating opportunities to live in densely populated neighborhoods that allow residents to experience all the city has to offer. In addition, a pipeline to economic success would be created for individuals whose zip code previously barred them access by tackling the pervasive segregation that divides our city by income and race. The effects of the City's overall housing production will have a resounding effect on individuals, families, and businesses as the social integration and increased economic benefits are likely to aid residents city-wide.

While most of the proposed large-scale conversion of commercial buildings to residential use would be implemented in Manhattan, there are significant opportunities for these conversions in the Bronx's commercial corridors and additional neighborhoods which would stimulate economic growth in communities previously devoid of it.

As dire as the current housing crisis is, allowing office conversions would also support residents throughout our city in their mission to acquire safe and habitable housing in high-opportunity areas using housing vouchers. Ensuring that people are stably housed erects a foundation which allows people to obtain jobs, achieve better health outcomes, and revitalize their communities.

Further, office-to-residential conversions will allow for more pedestrian foot traffic, increased revenue for local businesses and restaurants, and help to design 24/7 work, live, and play neighborhoods – something that all New York City residents deserve irrespective of the neighborhood where they reside.

After decades of disinvestment, residents of the South Bronx deserve to have a livable home to rest their heads, and having a home that remains affordable in perpetuity is integral in our organization's mission to establish quality, equitable communities. Moreover, creating 20,000 homes for around 40,000 people over the next decade not only gives residents a route to economic opportunity, but it also gives them hope.

Allowing conversions from commercial to residential use in existing buildings in Manhattan below 96th Street will help ensure the borough is actively constructing rental housing for current New Yorkers and future generations. In addition, lifting the FAR cap will empower the city to ascertain where apartments can be built such as in transit rich neighborhoods with a high concentration of job opportunities.

We look forward to working with the Mayor and the City Council to produce innovative solutions to the affordable housing crisis and ensure that no hardworking New Yorker should ever have to worry about providing their family a safe, habitable, and affordable place to live.

Thank you for the opportunity to share our perspective.

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