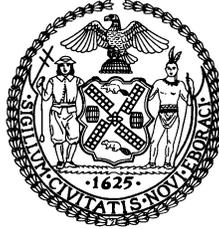


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THE COUNCIL

**COMMITTEE REPORT AND BRIEFING PAPER OF THE GOVERNMENTAL
AFFAIRS DIVISION**

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COMMITTEE ON GOVERNMENTAL OPERATIONS

Hon. Fernando Cabrera, Chair

January 20, 2021

Oversight: The Future of City Government Office Space

Int. No. 374-2018: By Council Member Brannan

Title: A Local Law to amend the New York city charter, in relation to the disqualification of persons from holding an elected city office for certain felony convictions

Charter: Chapter 50-A

I. INTRODUCTION

On January 20, 2021, the Committee on Governmental Operations, chaired by Council Member Fernando Cabrera, will hold an oversight hearing on the future of city government office space. The hearing will explore changes in work patterns spurred by the COVID-19 pandemic and how those changes might affect the city government's use of, and need for, office space going forward, as well as implementation of Local Law 75 of 2020, which established a task force to recommend policies and protocols relating to the safe reopening and operation of City agencies in response to the COVID-19 pandemic. The Committee will also hear Int. No. 347, sponsored by Council Member Brannan, in relation to the disqualification of persons from holding an elected city office for certain felony convictions. Those invited to testify include representatives from the Department of Citywide Administrative Services ("DCAS") and other interested members of the public.

II. BACKGROUND

A. The COVID-19 pandemic in New York City

The rapid transmission of the novel coronavirus and the resulting infectious disease, COVID-19, first identified in late 2019, led the World Health Organization to declare a pandemic on March 11, 2020.¹ By March 22, 2020, New York City was designated the epicenter of the pandemic, with approximately five percent of confirmed COVID-19 cases worldwide.² As of January 15, 2021, New York State had confirmed over one million positive COVID-19 cases, and

¹ See WORLD HEALTH ORGANIZATION, *WHO Director-General's Opening Remarks at the Media Briefing on COVID-19* (2020) available at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>

² See Jesse McKinley, *New York City Region Is Now an Epicenter of the Coronavirus Pandemic*, N.Y. TIMES (Mar. 22, 2020) available at <https://www.nytimes.com/2020/03/22/nyregion/Coronavirus-new-York-epicenter.html>.

over 32,000 related deaths.³ Of those, New York City had reported over 400,000 positive COVID-19 cases, and nearly 21,000 confirmed deaths from COVID-19.⁴

B. New York on PAUSE: mandatory workplace closures

On March 7, 2020, in response to the COVID-19 pandemic, Governor Cuomo issued an Executive Order declaring a disaster emergency for the State of New York.⁵ This declaration was followed by a series of Executive Orders,⁶ referred to collectively as “New York On PAUSE,” which “closed or otherwise restricted public or private businesses or places of public accommodation” in order to slow the spread of COVID-19 throughout the State.⁷ Meanwhile, Mayor de Blasio issued a number of Executive Orders suspending, postponing, and modifying City government operations to promote social distancing in the City.⁸ Among other things, these state and local orders closed schools and businesses, and required government agencies to drastically reduce the number of staff working in offices.⁹ As a result, the majority of City and State agencies moved to partial or full work-from-home postures.

C. New York Forward: phased reopening of businesses

On May 2, 2020, as social distancing measures slowed the spread of COVID-19 throughout the State, Governor Cuomo announced a plan to reopen businesses across New York in four

³ See NEW YORK STATE DEPARTMENT OF HEALTH, COVID-19 TRACKER, <https://covid19tracker.health.ny.gov/views/NYS-COVID19-Tracker/NYSDOHCOVID-19Tracker-Map?%3Aembed=yes&%3Atoolbar=no&%3Atabs=n> (last visited January 715, 2021).

⁴ In addition to confirmed deaths, the City tracks “probable” COVID-19 deaths. As of January 15, 2021, there were 4,853 probable COVID-19 deaths reported. See NYC DOHMH, COVID-19: DATA, <https://www1.nyc.gov/site/doh/covid/covid-19-data.page> (last visited January 15, 2021).

⁵ See N.Y. Gov. Exec. Order No. 202.

⁶ See N.Y. Gov. Exec. Order No. 202.3, 202.4, 202.5, 202.6, 202.7, 202.8, 202.10, 202.11, 202.13, 202.14, 202.28, and 202.31.

⁷ See N.Y. Gov Exec. Order No. 202.31.

⁸ See, e.g., N.Y.C Mayor Exec. Order No. 99 and 100.

⁹ See *id.*

phases.¹⁰ Under this plan, known as “New York Forward,” the phased reopening of the State was regionally-implemented based on benchmarks set forth in the plan. Regions were only able to loosen restrictions with proof of the following:

- Sufficiently low infection rate;
- Healthcare system capacity to absorb potential increase in new cases;
- High diagnostic testing capacity to identify new cases; and
- Contact-tracing capacity to track viral spread.¹¹

Phase One, which began in New York City on June 8, 2020, allowed for the reopening of the following industries: construction, agriculture (which included forestry, fishing, and hunting), retail (which included curbside or in-store pick-up and drop-off only), manufacturing, and wholesale trade.¹² Phase Two, which began in the City on June 22, 2020, allowed for the reopening of business offices, the real estate industry, in-store retail, vehicle retail, retail rental, repair, and cleaning activities, commercial building management, and hair salons and barbershops.¹³ Phase Three, which began in the City on July 6, 2020, allowed for the limited reopening of restaurants, and Phase Four, which began in the City on July 20, 2020, allowed for the reopening of educational institutions and certain arts, entertainment, recreation establishments.¹⁴

In October, Governor Cuomo announced a new “micro-cluster” strategy, whereby the State would identify specific areas with COVID-19 outbreaks and implement narrowly-tailored

¹⁰ NEW YORK FORWARD, <https://forward.ny.gov/> (last visited January 15, 2021).

¹¹ N.Y. GOV. ANDREW CUOMO, NY FORWARD: A GUIDE TO REOPENING NEW YORK & BUILDING BACK BETTER, at 26 (2020), <https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/NYForwardReopeningGuide.pdf>.

¹² NEW YORK FORWARD, PHASE ONE INDUSTRIES, <https://forward.ny.gov/phase-one-industries> (last visited January 7, 2021).

¹³ NEW YORK FORWARD, PHASE TWO INDUSTRIES <https://forward.ny.gov/phase-two-industries> (last visited January 7, 2021).

¹⁴ *Id.*

mitigation measures to contain the spread.¹⁵ The State is now using color-coded zones to identify areas with outbreaks, with each zone subject subject to varying levels of restrictions based on the severity of the COVID-19 outbreak.¹⁶

D. Local Law 75: reopening City government offices

On June 25, 2020, the Council passed Int. No 1950-A, sponsored by Council Member Laurie Cumbo, establishing a task force to develop protocols for the safe reopening of City government offices. At the time, roughly two-thirds of the City’s employees were working from home because of the pandemic.¹⁷ The introduction, which was not signed by the Mayor, lapsed into law on July 26, 2020 as Local Law 75.¹⁸

Local Law 75 provides that the Mayor must appoint 5 to 10 members of his senior mayoral staff to serve on a task force, which must within 30 days of its appointment recommend policies and protocols for safely reopening agency offices.¹⁹ Such recommendations must be developed in coordination with DCAS and the Department of Health and Mental Hygiene (“DOHMH”), and must address certain specified topics, including occupancy limits for offices and facilities, protective furnishings, sanitizing products, personal protective equipment, surface cleaning, air

¹⁵ N.Y. Gov. Andrew Cuomo, Press Release, “Governor Cuomo Outlines New Micro-Cluster Strategy to Tackle COVID-19 Hot Spots That Arise in Fall,” October 17, 2020, *available at* <https://www.governor.ny.gov/news/governor-cuomo-outlines-new-micro-cluster-strategy-tackle-covid-19-hot-spots-arise-fall>.

¹⁶ NEW YORK FORWARD, CLUSTER ACTION INITIATIVE, <https://forward.ny.gov/cluster-action-initiative> (last visited January 7, 2021).

¹⁷ See Transcript of the Minutes of the Hearing of the Committee on Governmental Operations on June 16, 2020, at 18, *available at* <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4546855&GUID=487065E9-C5BA-4CAF-A17B-8107FEC6D02E&Options=Advanced&Search=>.

¹⁸ See Letter to the Mayor (July 30, 2020), *available at* <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4546855&GUID=487065E9-C5BA-4CAF-A17B-8107FEC6D02E&Options=Advanced&Search=>.

¹⁹ L.L. 75 of 2020, *available at* <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4546855&GUID=487065E9-C5BA-4CAF-A17B-8107FEC6D02E&Options=Advanced&Search=>.

purification, and accommodations for persons at higher risk for developing serious health complications from COVID-19.²⁰

Local Law 75 also provides that, once the task force publishes its recommendations, each mayoral agency must develop a reopening plan and submit it to the task force within 30 days.²¹ The task force then must review each agency's plan and propose amendments as necessary.²² Once an agency's reopening plan is finalized, Local Law 75 provides that the agency must publish the plan on its website.²³ Under Local Law 75, the task force is required to report on agency compliance with the law every 90 days until the law expires, which occurs on the earlier of (i) the date on which the Mayor's declaration of emergency regarding the COVID-19 pandemic expires, or (ii) July 25, 2021.²⁴

On August 11, 2020, Committee staff were informed that the task force had made its recommendations available online and were provided with a copy of such recommendations. The document that was provided, however, appears to have been authored by DCAS and does not mention Local Law 75, collaboration with the task force, or who the members of the task force are.²⁵ Notwithstanding these issues, the document (hereinafter referred to as the "Restart Report") does satisfy Local Law 75's core requirement of recommending policies and protocols for the safe reopening of agency offices.

The Restart Report is organized into four sections. The first section, entitled *Prepare the Building*, focuses on measures related to cleaning, controlling building access through screening,

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ See DCAS, Managing the Return to the Office in the Age of COVID-19 (August 11, 2020), https://www1.nyc.gov/assets/dcas/downloads/pdf/guidelines/city_guidance.pdf

managing the flow of traffic through points of access and egress, and maintaining building systems such as HVAC, water systems, restrooms, and elevators.²⁶ The second section, entitled *Prepare the Workspace*, includes policies for promoting social distancing among coworkers, and recommends specific protocols to follow in each of the following three scenarios:

Scenario	Time	Level of Effort	Cost	Occupancy Rate
1. No change to existing layout or furniture	Immediate	Low	\$	Lowest
2. No change except to add protective barriers	1 day – 1 month Access to product and labor	Medium	\$\$	Medium
3. Layout and furniture are modified, including adding protective barriers	1 month – 6 months Time for design and approvals Access to product and labor	High	\$\$\$	Highest

*Source: DCAS, Managing the Return to the Office in the Age of COVID-19*²⁷

For the first scenario, the Report recommends, among other things, using alternating desks and blocking-off areas where social distancing is not possible.²⁸ For the second scenario, the Report recommends removing unused workstations and adding protective screens in front of, beside, and behind workers.²⁹ For the third scenario, the Report recommends reconfiguring furniture to increase the distances between workstations and prevent workers from sitting directly across or behind one another.³⁰ The Report’s second section also includes recommendations for facilitating social distancing in reception areas, conference rooms, hallways, and other shared spaces.³¹

²⁶ *Id.* at 4-7.

²⁷ *Id.* at 8.

²⁸ *Id.* at 9.

²⁹ *Id.* at 10.

³⁰ *Id.* at 11.

³¹ *Id.* at 12-13.

The third section of the report, entitled *Prepare the Workforce*, focuses on whether, when, and how to bring staff back to the office.³² The Report recommends that agencies “continue to allow teleworking whenever possible,” and sets forth the following question for agencies to consider when determining whether an employee should return to the office:

- Why does this employee/role need to come to the office?
- What activity or responsibility requires their physical presence?
- How can the agency enable this activity to be done at home in whole or in part?
- If the employee **must** come into the office, can they come in for a limited time?³³

If onsite work is required, the Report recommends that alternative work schedules be considered to alleviate density in the office.³⁴ The Report sets forth several alternative scheduling options for agencies to consider, including flexible arrivals, flexible workdays, and compressed work weeks.³⁵ In addition, the Report recommends that agencies “develop return to work protocols and share [such protocols] with returning staff, prior to their return so staff know what to expect.”³⁶ Such protocols are recommended to address, among other things, face covering requirements, guidance on in-person meetings, childcare and dependent care policies, reasonable accommodations, and alternative work arrangements made outside the reasonable accommodation process.³⁷ The third section of the Report also notes that agencies are required to “implement a mandatory health screening assessment for employees and visitors,” and that “NYS guidance requires employers to

³² *Id.* at 15.

³³ *Id.* (emphasis in original).

³⁴ *Id.*

³⁵ *Id.* at 17-18.

³⁶ *Id.* at 15.

³⁷ *Id.* at 15-16.

notify public health officials if they learn of an employee who is a confirmed or suspected [COVID-19] case.”³⁸

The report’s final section, entitled *Communication*, recommends various measures to keep employees informed and address their concerns.³⁹ Among other things, the Report recommends that “communications be centralized to ensure all individuals receive the same message,” and that agencies “provide information on what actions have been taken, new policies and protocols that have been put in place, and future changes to expect.”⁴⁰

Given that the Restart Report was made available on August 11, 2020, agencies were required under Local Law 75 to submit their reopening plans to the task force by September 10, 2020. The task force’s first report on agency compliance, due October 24, 2020, was submitted on January 19, 2020. According to the report, a total of 71 agencies submitted reopening plans to the task force.

More generally, little public information exists regarding whether or how City employees have been returning to the office since work-from-home policies were first implemented. On October 19, 2020, the *Wall Street Journal* reported that City officials were planning to bring 25 percent of the New York City government office-based workforce back to the office by the end of the year.⁴¹ However, Mayor de Blasio refused to confirm that timeline, saying only that the Administration was working with individual agencies to develop plans for return.⁴²

³⁸ *Id.* at 19-20.

³⁹ *Id.* at 21.

⁴⁰ *Id.*

⁴¹ Katie Honan, *New York Aims to Bring Back 25% of City-government Workers By Year’s End*, WALL STREET JOURNAL, October 19, 2020, <https://www.wsj.com/articles/new-york-aims-to-bring-back-25-of-city-government-workers-by-years-end-11603134569>

⁴² *Id.*

E. Current status of commercial real estate and office work

As the pandemic continues and infection rates rise, many public- and private-sector office workers across the country are still working from home, with no clear timeline for a return to the office in sight. This issue is particularly acute in New York City. According to an analysis of card swipe data by Kastle Systems International LLC, a company that provides security for over 2,600 commercial buildings across the country, only 17 percent of employees in the greater New York City region had returned to the office as of October 2020, representing the lowest return rate of the ten major metropolitan areas surveyed.⁴³ Other surveys have found similar results. For instance, at the end of October 2020, the Partnership for New York City, an influential business group, released the results of a survey that found that only 10 percent of Manhattan office workers had returned to the office, only 15 percent were expected to return by the end of the year, and only 48 percent were expected to return by July 2021.

This prolonged work-from-home posture has had a marked effect on the City's commercial real estate market. Manhattan holds more than 400 million square feet of office space.⁴⁴ According to Savills, a real estate brokerage firm, demand for Manhattan office space in the third quarter of 2020 was down 45 percent compared to the same period in 2019.⁴⁵ In December, the New York Times reported that almost 14 percent of office space in Midtown Manhattan was vacant, which marked the highest rate since 2009, when the country was in the throes of the Great Recession.⁴⁶

⁴³ Devin Leonard, *Midtown Is Still Empty, and Landlords Are Sounding the Alarm*, Bloomberg Businessweek (December 18, 2020), <https://www.bloomberg.com/news/features/2020-12-18/new-york-city-s-office-workers-are-gone-landlords-are-sounding-the-alarm>.

⁴⁴ Greg David, *New York City's Growing Office Space Glut Heads to Post-9/11 Record*, THE CITY, October 15, 2020, <https://www.thecity.nyc/2020/10/15/21518594/new-york-city-office-space-glut-lease-9-11-record>.

⁴⁵ Savills, *Manhattan Market in Minutes* (Oct. 1, 2020), <https://pdf.euro.savills.co.uk/usa/market-reports/research-mim-ny-q3-2020.pdf>.

⁴⁶ Matthew Haag and Dana Rubinstein, *Midtown is Reeling. Should Its Offices Become Apartments?*, NEW YORK TIMES, December 11, 2020, <https://www.nytimes.com/2020/12/11/nyregion/nyc-commercial-real-estate.html>

Investor confidence in the City's commercial real estate industry is also down.⁴⁷ SL Green Realty Corp., Manhattan's largest office landlord, saw its stock price drop by more than 54 percent in one month this spring, compared with a roughly 35 percent drop in broader stock market.⁴⁸ As of January 14, 2021, the firm's stock price remained 30 percent below where it had been for most of January and February of 2020.⁴⁹ Other major commercial landlords in the City have experienced similar hits to their share prices.⁵⁰ In addition, in October, the New York Building Congress, a membership organization of design, construction, and real estate firms, projected that construction spending in the City would be 8.5 percent below the 2019 level, although it predicted a slight increase in 2021 and 2022.⁵¹

The downturn in the commercial real estate market could have negative implications for City property tax revenue, and therefore its ability to carry out basic municipal services such as trash collection and street sweeping. According to the State Comptroller, property taxes account for the largest share of City revenue, and commercial property accounts for the largest slice, at 41 percent.⁵² On January 14, 2021, Mayor de Blasio announced that the City anticipates a \$2.5 billion shortfall in property tax revenue for FY2022, the largest drop in at least three decades.⁵³

⁴⁷ Randall Smith, *If You Want to See Where New York Is Heading, These REITs Offer a Clue*, Wall Street Journal (July 5, 2020), <https://www.wsj.com/articles/if-you-want-to-see-where-new-york-is-heading-these-reits-offer-a-clue-11593995640>.

⁴⁸ *Id.*

⁴⁹ <https://www.google.com/finance/quote/SLG:NYSE?sa=X&ved=2ahUKEwiPr7C2hJfuAhWjct8KHVnXDAUQ3ecFMAB6BAgHEBE>

⁵⁰ Randall Smith, *supra* note 47.

⁵¹ Greg David, *New York City's Growing Office Space Glut Heads to Post-9/11 Record*, THE CITY, October 15, 2020, <https://www.thecity.nyc/2020/10/15/21518594/new-york-city-office-space-glut-lease-9-11-record>.

⁵² Matthew Haag, *supra* note 46.

⁵³ Dana Rubinstein and Jesse McKinley, *Virus Siphons \$2.5 Billion in N.Y.C. Property Tax Revenue*, NEW YORK TIMES, January 14, 2021, <https://www.nytimes.com/2021/01/14/nyregion/budget-coronavirus-nyc.html>.

F. DCAS-owned and leased property

The City of New York is a sizable player in the City's commercial real estate market. DCAS, which under the Charter is tasked with overseeing the City's real estate portfolio,⁵⁴ manages, operates, and maintains 55 City-owned buildings throughout the five boroughs, totaling over 15 million square feet, and acts as landlord to various City agencies, including the Mayor's Office, the Comptroller, the Public Advocate, the Borough Presidents, the New York State Office of Court Administration.⁵⁵ DCAS also maintains commercial rent agreements with private tenants for some city-owned real estate, generating just over \$50 million in lease revenue in FY2020,⁵⁶ and projecting a decrease of \$13.7 million in FY2021.⁵⁷

DCAS is responsible for housing more than 30 City agencies, whether in city-owned properties or through private space leases.⁵⁸ The DCAS website claims that DCAS rents over 22 million square feet of office space for City agencies, or 7 million more square feet than its City-owned real estate portfolio, pursuant to 450 leases. Over the course of the last five years, DCAS has steadily decreased the number of new, renewed, or amended leases it has entered into: in FY2020, DCAS entered into, renewed, or amended 24 leases totaling 1.8 million square feet of private space, the lowest number since at least FY2016.⁵⁹

⁵⁴ See Charter § 824.

⁵⁵ Department of Citywide Administrative Services, *Managing DCAS Facilities*, <https://www1.nyc.gov/site/dcas/agencies/managing-dcas-facilities.page>

⁵⁶ Department of Citywide Administrative Services in the Mayor's Office of Operations, *Mayor's Management Report Fiscal Year 2020*, <https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/dcas.pdf>

⁵⁷ *DCAS Responses to Committee FY2021 Budget Questions, on file with the Committee.*

The Top five lease collections are held by UDC Archives, the Carnegie Hall Coporation, Association LP/Brkln Renaissance PLaza, Fram Realty and NYU Medical Center.

⁵⁸ Department of Citywide Administrative Services, *2019 Annual Report*,

https://www1.nyc.gov/assets/dcas/downloads/pdf/about/dcas_annual_report_2019.pdf

⁵⁹ Department of Citywide Administrative Services in the Mayor's Office of Operations, *Mayor's Management Report Fiscal Year 2020*, <https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/dcas.pdf>

At the FY2018 Executive Budget hearing before the Committee in May 2017, DCAS announced a new initiative, in collaboration with the First Deputy Mayor and the Office of Management and Budget (“OMB”) Director, entitled the Citywide Office Space Management Initiative.⁶⁰ The program was intended to “maximize the use of all City-owned and private leased space” as occupied by City agencies.⁶¹ New requests for additional space would be evaluated in terms of these “opportunities to maximize existing agency space” with alternately looking into the City’s own real estate portfolio before beginning new leases.⁶² In FY2019, OMB projected that the space management initiative would save the City tens of millions of dollars in upcoming years due to reductions in lease expenses, although the initiative initially cost DCAS \$1.3 million in FY2018 and \$5.2 million in FY2019 for staff and an integrated computer platform.⁶³ In the FY2020 Mayor’s Management Report, DCAS credits this initiative for the low number of new leases entered into, renewed or amended in FY2020 – “lower than each of the last five years.”⁶⁴

Additionally, in its 2019 Annual Report, DCAS announced that it was in the process of creating a “surge site” in one of its City-owned spaces (1 Centre Street), intended to house the

⁶⁰ DCAS Testimony before the Committee, Executive Budget Hearing (May 12, 2017) <https://legistar.council.nyc.gov/View.ashx?M=F&ID=5168573&GUID=8F5E2ED3-17E7-46DB-B58C-564CBBF49A5A>

⁶¹ DCAS Testimony before the Committee, Executive Budget Hearing (May 12, 2017) <https://legistar.council.nyc.gov/View.ashx?M=F&ID=5168573&GUID=8F5E2ED3-17E7-46DB-B58C-564CBBF49A5A>

⁶² DCAS Testimony before the Committee, Executive Budget Hearing (May 12, 2017) <https://legistar.council.nyc.gov/View.ashx?M=F&ID=5168573&GUID=8F5E2ED3-17E7-46DB-B58C-564CBBF49A5A>

⁶³ FY19 Preliminary Budget Report of the Committee on Governmental Operations, *Department of Citywide Administrative Services* (March 19, 2018), <https://legistar.council.nyc.gov/View.ashx?M=AO&ID=58371&GUID=0a94c1cc-1fb3-4545-b325-882575762753&N=Q29tbWI0dGVlIFJlcG9ydCAtIERlcGFydG1lbnQgb2YgQ2I0eXdpZGUgQWRtaW5pc3RyYXRPdmUgU2VydmVjZXN%3d>

⁶⁴ Department of Citywide Administrative Services in the Mayor’s Office of Operations, *Mayor’s Management Report Fiscal Year 2020*, <https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2020/dcas.pdf>

City’s short-term projects and available to meet temporary space needs within agencies.⁶⁵ The 25,924-square-foot space would be redesigned with a variety of work spaces, including ‘quiet zones,’ phone booths, unassigned desk seats, and formal and informal meeting rooms.⁶⁶ The space would be able to house as many as 200 City employees at once, with all new finishes, equipment, furniture, electrical, plumbing, and HVAC systems. At the time of the report, construction was supposed to be in Fall 2020, however, given the COVID-19 pandemic’s impact on City construction in 2020, the Committee is interested to hear what adjustments to these plans have been made, and what proposals DCAS has developed for COVID-19-safe shared workplaces, if any.

III. THE FUTURE OF OFFICE SPACE

In July 2020, the *New York Times* described Midtown Manhattan, the City’s most bustling and recognizable central business district, as a “ghost town,” “stuck in purgatorial Phase Zero.”⁶⁷ With so many office workers confined to home offices indefinitely, the economic ecosystem of districts like Midtown – built around office towers and the thousands of people who work in them – has been disrupted, with potentially lasting impacts.⁶⁸ How the pandemic and its sudden disruption of office work patterns will affect urban business districts and the use of office space in the long term is unknown.

Some observers believe that the previous norm of workers commuting to an office in a central business district every day will shift. More companies may maintain a smaller central office

⁶⁵ Department of Citywide Administrative Services, *2019 Annual Report*, https://www1.nyc.gov/assets/dcas/downloads/pdf/about/dcas_annual_report_2019.pdf

⁶⁶ Department of Citywide Administrative Services, *2019 Annual Report*, https://www1.nyc.gov/assets/dcas/downloads/pdf/about/dcas_annual_report_2019.pdf

⁶⁷ Michael Wilson, *The Virus Turns Midtown Into a Ghost Town, Causing an Economic Crisis*, NEW YORK TIMES, July 26, 2020, <https://www.nytimes.com/2020/07/26/nyregion/nyc-coronavirus-time-life-building.html>.

⁶⁸ *See id.*

in a city’s central business district and satellite offices and/or shared office spaces in outer areas where employees may be able to spend all or part of their work week.⁶⁹ As a result of workers commuting less and spending more time in neighborhoods closer to where they live, residential areas may have to adjust to an influx of daytime workers.⁷⁰ Office buildings themselves may also need to be adapted more quickly to worker preferences, in order to meet the expectations of workers who have suddenly experienced the flexibility and certain benefits of remote work. As one reporter recently put it, “The office will become more of a consumer product. And just like every consumer product, the office will have to continually fight for its customers and meet their needs – not only when it’s time to renew the lease. Offices will need spaces for specific tasks like focused work, team brainstorming, client presentations and employee training. And they will need to be more focused on individuals, even if these people work for a large company.”⁷¹ Many of these predictions focus on the private sector, but they could apply to the public sector’s office workforce as well.

One commonly-discussed idea is the possibility of transforming under-utilized office buildings in central business districts into housing. In the mid-1990s, the City instituted a temporary tax abatement program, 421-g, to incentivize developers to convert commercial buildings into residential ones in lower Manhattan.⁷² The intent was to revitalize lower Manhattan from a commercial district that was largely shuttered at night to a mixed-use, “live, work, and play” area, and it largely succeeded.⁷³ The Real Estate Board of New York (“REBNY”), is calling

⁶⁹ Dror Poleg, *The Future of Offices When Workers Have a Choice*, NEW YORK TIMES, January 4, 2021, <https://www.nytimes.com/2021/01/04/upshot/work-office-from-home.html>

⁷⁰ *Id.*

⁷¹ *Id.*

⁷² NYU FURMAN CENTER, COREDATA.NYC, 421-G TAX INCENTIVE, <https://furmancenter.org/coredata/directory/entry/421-g-tax-incentive-program> (last visited January 8, 2021).

⁷³ Matthew Haag, *supra*. note 46

for the State and City to allow developers to more easily convert New York City office buildings into residential ones, estimating that converting just 10 percent of the City’s office space into residential units would create 14,000 apartments citywide, including 10,000 in Manhattan.⁷⁴ Governor Cuomo has also lent his support to this idea. In his State of the State address on January 11, 2021, he said he would “propose legislation to create a five-year period during which property owners may convert office buildings and hotels in New York City to residential use.”⁷⁵ He said details of the plan would be forthcoming, but there appears to be support among elected leaders in the State and City for the concept of converting office buildings into affordable housing.⁷⁶ Creating new apartments in central business districts could help alleviate the City’s persistent affordable housing shortage, as well as bring back foot traffic to commercial districts that have lost business due to the lack of daily office workers.⁷⁷ It could also create thousands of good-paying construction jobs and support economic growth by helping City employers attract and retain talent.⁷⁸

Challenges remain: large-scale office conversions would require time-consuming and often contentious land use rezonings and adequate financing to convert the buildings.⁷⁹ Office buildings would require the addition of expensive plumbing throughout, and old buildings may require even more work to bring them up to standards for residential use.⁸⁰ Landlords and developers may not

⁷⁴ *Id.*

⁷⁵ N.Y. Gov. Andrew Cuomo, Press Release, “Governor Cuomo Outlines 2021 Agenda: Reimagine | Rebuild | Renew,” January 11, 2021, available at <https://www.governor.ny.gov/news/governor-cuomo-outlines-2021-agenda-reimagine-rebuild-renew>.

⁷⁶ Carl Campanile, Bernadette Hogan, and Lois Weiss, *Cuomo: Turn empty hotels, office buildings into apartments amid pandemic*, NEW YORK POST, January 11, 2021, <https://nypost.com/2021/01/11/cuomo-turn-empty-hotels-office-buildings-into-apartments/>.

⁷⁷ Matthew Haag, *supra*, note 46.

⁷⁸ N.Y. Gov. Andrew Cuomo, Press Release, *supra* note 75.

⁷⁹ Patrick Sisson, *Imagining a Second Life for Midtown Manhattan’s Empty Offices*, BLOOMBERG, November 2, 2020, <https://www.bloomberg.com/news/articles/2020-11-02/should-manhattan-s-offices-turn-into-housing>.

⁸⁰ *Id.*

be willing or able to take on these conversion projects without government support, and City and State budgets are facing severe shortfalls amidst the economic fallout from the pandemic.⁸¹

Rezoning to add affordable housing is not impossible, however. In early October 2020, Mayor de Blasio announced a plan to do just that; the City is proposing to rezone the SoHo and NoHo areas of Manhattan – currently upscale commercial and residential districts – to add new permanently affordable housing and allow greater flexibility for ground floor commercial use by businesses and arts and cultural organizations.⁸² The Administration’s past rezonings have focused largely on outer borough and/or lower-income neighborhoods like East New York and Inwood, so this rezoning of an upscale neighborhood in the heart of Manhattan could usher in a shift to transforming central business districts as work patterns continue to change.⁸³ REBNY has pointed to East Midtown, the Garment District, and Flatiron South as Manhattan districts where the City should focus on this type of commercial-to-residential shift next.⁸⁴

IV. CONCLUSION

The COVID-19 pandemic radically upended daily urban life as we knew it nearly overnight. With the vast majority of office workers, including the City’s office-based workforce, working from home indefinitely, it remains to be seen how office work culture and the use of office space will shift permanently. With over 15 million square feet of City-owned space, and an additional 22 million square feet of City-leased private space, the City is in a position to transform

⁸¹ *Id.*

⁸² N.Y.C. Mayor Bill de Blasio, Press Release, “Mayor de Blasio Announces Start of Public Process for SoHo-NoHo Neighborhood Plan,” October 7, 2020, available at <https://www1.nyc.gov/office-of-the-mayor/news/699-20/mayor-de-blasio-start-public-process-soho-noho-neighborhood-plan>.

⁸³ Patrick Sisson, *supra* note 79.

⁸⁴ *Id.*

its use of office space to adapt to the changing times. The Committee is eager to hear from City agencies and members of the public about what the future of City office space could look like.

V. LEGISLATIVE ANALYSIS

Int. No. 374

Int. No. 374 would disqualify any person that has been convicted of certain felonies, in relation to public corruption and depriving the public of honest services, from holding the office of Mayor, Public Advocate, Comptroller, Borough President, or Council Member. The felonies included are bribery involving public servants, corrupting the government, grand larceny (if in connection with public funds), defrauding the government, theft or bribery concerning programs receiving federal funds, wire and mail fraud, interference with commerce by threats or violence, and felony attempt or conspiracy to commit any of the arementioned felonies. This local law would take effect immediately.

By Council Members Brannan, Salamanca, Holden and Rivera

A Local Law to amend the New York city charter, in relation to the disqualification of persons from holding an elected city office for certain felony convictions

Be it enacted by the Council as follows:

Section 1. The New York city charter is amended by adding a new chapter 50-A to read as follows:

CHAPTER 50-A

QUALIFICATION FOR ELECTED OFFICE

§ 1139 Qualification for Elected Office. No person shall be eligible to hold the office of mayor, public advocate, comptroller, borough president or council member who has been convicted, provided such conviction has not been vacated pursuant to the criminal procedure law or pardoned by the governor pursuant to section 4 of article IV of the New York state constitution, of a felony defined in:

1. article 200 of the penal law;
2. article 496 of the penal law;
3. sections 155.30, 155.35, 155.40, and 155.42 of the penal law, if in connection to public funds;
4. section 195.20 of the penal law;
5. section 666 of title 18 of the United States code;
6. sections 1341, 1343 and 1346 of title 18 of the United States code;
7. section 1951 of title 18 of the United States code; or
8. any felony attempt or conspiracy to commit any of the aforementioned felonies.

§ 2. This local law takes effect immediately.

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