A (modest but critical) Rezoning Proposal for the 3rd & 4th Avenue Corridors

Change the C6-2A to C1-7A in order to:

- Prevent oversized commercial (hotel, office) development
- Reinforce residential character of predominantly residential area
- Encourage affordable housing retention and creation
The C6-2A zone encourages oversized commercial development in this predominantly residential area.

This results in the destruction of existing housing stock (much of it with long-term tenants and rent-regulated units), and a change in the character of the area with the addition of large hotels and office buildings.

It also forecloses the possibility of creating or preserving affordable housing in the area, which the C6-2A zoning was supposed to encourage. The C6-2A zoning has a bonus for preserving or creating affordable housing, but allows developers to get around that by building larger, purely commercial developments that have no affordable housing incentives.
Five 1890s tenements with almost 100 units of permanent housing, including rent-regulated units, were demolished to make way for a 300-room, 120 ft. tall ‘Moxy’ Hotel. This hotel chain is geared towards party-hopping millennials.

Current zoning allows larger as-of-right commercial development than residential development.

This provides a strong incentive for demolishing existing housing, sidestepping current affordable housing incentives, and building purely commercial buildings.

Under the proposed rezoning, these buildings would likely never have been demolished. But had they been, under the proposed rezoning they would have been replaced with a residential building with up to 14,422 sq. ft. of affordable housing.
This situation is quickly getting worse due to the expansion of the Tech industry’s ‘Silicon Alley’ from Union Square and Astor Place into the area in between, including the 3rd and 4th Avenue corridors, since there are multiple additional potential development sites in the area.

Approval of the Tech Hub directly adjacent to this area on 14th Street will accelerate the trend of losing housing, forgoing affordable housing opportunities, and adding oversized commercial development in this area.

That is **UNLESS** the modest but critical requested zoning change is adopted for the area.
Tech Building BOOM
Looming in 3rd and 4th Ave Corridors

- Potential Development Sites
- Currently Under Development
- Existing Tech Locations
- Proposed Tech Hub
- Area of Requested Rezoning

Potential Development Sites with Record of Rent-Regulated Units*

*From www.nycrgb.org. “The buildings that will be listed have filed records with the New York State Division of Housing and Community Renewal at least one time from 1984 to the present year and may contain one or more regulated apartments. Inclusion on the list is not determinative of the building’s current status. The list may not include all buildings that have rent regulated tenants.”
EXISTING ZONING

C6-2A DISTRICTS
(with Inclusionary Housing Program)

ALLOWED DENSITY:

<table>
<thead>
<tr>
<th></th>
<th>RESIDENTIAL</th>
<th>COMMUNITY FACILITY</th>
<th>COMMERCIAL</th>
</tr>
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<tbody>
<tr>
<td>base FAR:</td>
<td>5.4</td>
<td>max FAR:</td>
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<tr>
<td>I.H. bonus:</td>
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</tr>
<tr>
<td>max FAR:</td>
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Allows 10% larger as-of-right commercial building than residential building.

Existing Third and Fourth Avenue Corridor Zoning
One simple and sensible change in allowable commercial FAR can protect this area.

- 90% of lots in the proposed rezoning area have 2 FAR commercial or less, and thus conform with the proposed rezoning.

- By bringing the maximum commercial FAR down to 2, it will ensure no large-scale commercial buildings are built in the area, only predominantly residential ones.

- For residential construction, the zoning provides a significant incentive to create new affordable housing or preserve existing affordable housing in immediate area. New residential developments in this zone have utilized this affordable housing provision.
The New ‘Silicon Alley’?

Proposed ‘Tech Hub’ (P.C. Richards site)
- Requires City Council approval for rezoning
- Larger than zoning allows
- Commercial rather than residential use as originally planned for site
- No affordable housing
- Will accelerate undesirable development to the south UNLESS accompanied by rezoning
Experts Agree

Advancing a new wave of urban competitiveness: The role of mayors in the rise of innovation districts

June 2017

Development without Displacement
RESISTING GENTRIFICATION IN THE BAY AREA

Planning and tech
Planning for the growth of the technology and advanced manufacturing sectors

Recommendations
To attract tech and AM firms

- Monitor the local economy using company registration data
- Employ a team to engage with the sector
- Ensure adequate housing and infrastructure capacity

Hackney Community College in London has started an apprenticeship scheme with local tech firms, to both grow the local skills base, and help meet the demands of the sector.

Another option is to collaborate with tech firms in urban regeneration projects. Tech firms and employees display a preference for easily accessible, walkable, multi-use districts. This provides a clear opportunity to reconfigure urban areas. In some cities, previously industrial districts are undergoing physical transformations, alongside economic ones. Well planned regeneration projects will make use of consultations to involve the views of the local community. This is a crucial part of the process, in order to avoid displacing local residents and businesses.

Finally, local governments can employ a team to engage with the sector. In order to attract and keep the growth of the tech economy, it requires a seamless process of collaboration and engagement.

How tech firms can drive growth, without making inequality worse

February 18, 2015 5:00pm EST
Union Square's building blitz

Developers pour cash into Manhattan's Silicon Alley as preservationists push back

By Dennis Lynch | June 01, 2017 10:00AM

Union Square — an already thriving slice of Manhattan — is getting an injection of new development. And the area, which gets an estimated 344,000 people passing through on a typical weekday, is also becoming significantly pricier. A slew of new projects, including Billy Macklowe's 52-unit condo tower at 21 East 12th Street, are poised to change the office and residential mix in the area, which real estate players say extends a half mile in each direction from the park.

Those projects come as the city is also investing big in the area. In February, the de Blasio administration unveiled renderings of its proposed Union Square Tech Hub, a 258,000-square-foot building that, if approved, would replace the P.C. Richard & Son building in a high-profile 14th Street location on the south edge of the square. Meanwhile, in 2014, IBM’s Watson Center moved into 51 Astor Place, a few blocks south of Union Square, further cementing the neighborhood's Silicon Alley status.

But not everyone is happy with this investment and development rally. Preservationists are getting louder, and City Council member Rosie Mendez, who represents the area, is calling for a "contextual rezoning," telling one news outlet that residents are "under great pressure by developers."

$2.03B

The total dollar amount of real estate transactions, including building sales and development, in the Union Square area since May 2015. That includes the $209 million purchase of 114 Fifth in October 2015, the priciest property sale during the time stretch.

$16.5M

The in-contract price for the most expensive pad at Macklowe's 12th Street project. The Annabelle Selldorf-designed building, which the developer has had in the works since 2012, replaces a retail stretch that included the trendy bowling alley Bowlmor Lanes. Asking prices start at $2.4 million.

$250M

The estimated cost of the Union Square Tech Hub (rendering pictured), which City Hall claims will create 600 jobs "in the tech ecosystem." That will add to the 22,500-plus tech jobs in the Union Square area — the most of any sector in the neighborhood, including retail.

$22M

The price that Ranger Properties paid in 2015 for a pair of buildings at the corner of East 13th Street and University Place. The developer demolished the buildings, one of which housed the University Deli, and is constructing a seven-story luxury condo where prices start at $6 million.

$2,347

The increase in median rent in the Union Square area since 2008. Residential rents have jumped to $3,700 from $1,353 in the nine-year period.

$35M

The number of passengers who pass through the 14th Street/Union Square subway station each year. That number will likely drop dramatically during the 15-month shutdown of the L train in Manhattan.