

CITY PLANNING COMMISSION

May 10, 2017 / Calendar No. 24

C 170137 ZSM

IN THE MATTER OF an application submitted by 10 Greene Owner LLC pursuant to Sections 197-c and 201 of the New York City Charter for the grant of a special permit pursuant to Section 74-711 of the Zoning Resolution to modify the use regulations of Section 42-10 to allow residential uses (Use Group 2 uses) on portions of the cellar and ground floor and on the 2nd through 5th floors and proposed 2-story penthouse, and the use regulations of Section 42-14D(2)(b) to allow retail uses (Use Group 6 uses) on the ground floor and portions of the cellar of an existing 5-story building, on property located at 10 Greene Street (Block 230, Lot 13), in an M1-5B District, within the SoHo-Cast Iron Historic District, Borough of Manhattan, Community District 2.

This application was filed by 10 Greene Owner LLC on October 28, 2016 for a special permit pursuant to Section 74-711 of the Zoning Resolution to modify the use regulations of Section 42-10 to allow residential use (Use Group 2) on portions of the ground floor and the second through fifth floors plus rooftop addition, and Section 42-14(D)(2)(b) to allow retail uses (Use Group 6) below the level of the second story of an existing five-story building located at 10 Greene Street (Block 230, Lot 13) in the SoHo neighborhood of Manhattan, Community District 2.

BACKGROUND

10 Greene Street is located on the east side of Greene Street between Grand and Canal Streets. The zoning lot comprises approximately 2,800 square feet, and is improved with a five-story building that is about 82 feet high and has a floor area ratio (FAR) of 4.35. Built in 1869, the existing building at 10 Greene Street primarily housed textile and other manufacturing uses until about 1995. The building does not have a Certificate of Occupancy. To the best of the applicant's knowledge, subsequent to 1995, the building's tenants included commercial art galleries and studios, commercial offices for small firms, and retail establishments. The applicant acquired the building in late 2014, by which time the building was only partially occupied. The building became fully vacant at the end of 2015, when the leases of the legacy tenants expired.

10 Greene Street is located within an M1-5B zoning district, which allows up to 5.0 FAR for commercial uses and light manufacturing uses and 6.5 for community facility uses. Use Group

17D Joint Living-Work Quarters for Artists (JLWQA) is allowed as-of-right in buildings that pre-date 1961 and have a lot coverage of less than 5,000 square feet (3,600 square feet on Broadway). For buildings in an M1-5B district, residential use (Use Group 2) is not permitted as-of-right; the space below the floor level of the second story can only be occupied by Use Group 7, 9, 11, 16, 17A, 17B, 17C, and 17E uses.

Once a primarily manufacturing district, over the years the surrounding SoHo neighborhood has evolved into a mixed-use district. Buildings range from three to nine stories, with low-rise row houses along Canal Street and mid-rise loft buildings north of Canal Street. The predominant uses in the surrounding area are ground floor commercial uses, including retail establishments, commercial galleries, and furniture showrooms/wholesalers, with commercial offices and a variety of dwellings, including JLWQA, residential lofts, Interim Multiple Dwellings (IMD) and Use Group 2 residential units, on the upper floors. South of the site, in Tribeca, buildings range from two to seven stories and are predominately mixed-use.

The applicant proposes to use 1,991 square feet of zoning floor area on the ground floor and 1,265 square feet of gross floor area in the cellar for Use Group 6 retail uses. The applicant also intends to convert 11,680 square feet of zoning floor area on portions of the ground floor, second through fifth floors, and the proposed rooftop addition to Use Group 2 residential use (four residential units). 1,388 square feet of gross floor area in the cellar would be used for accessory residential storage. As proposed, the building would retain its existing street wall elevation of about 82 feet, to the top of the cornice. At this elevation, the rooftop addition would set back 20 feet from the street line and rise to a height of approximately 102 feet, within the permitted bulk envelope. In total, the proposed project would have a total of 13,671 square feet of zoning floor area and an FAR of 4.86. The proposed development also includes a comprehensive restoration of facade, storefront, stoop, and window elements.

On March 4, 2016, the Landmarks Preservation Commission (LPC) approved the proposed as-of-right rooftop additions (Certificate of Appropriateness 18-2925), and issued a report (LPC-172919, MOU 18-2929) stating that a program has been established for continuing maintenance, and that the proposed restorative work required under the program contributes to a preservation purpose.

To facilitate the proposed development, the applicant requests the grant of a City Planning Commission special permit pursuant to ZR 74-711 to modify the use regulations of Sections 42-10 and 42-14D(2)(b) of the Zoning Resolution.

ENVIRONMENTAL REVIEW

This application (C 170137 ZSM) was reviewed pursuant to the New York State Environmental Quality Review Act (SEQRA), and the SEQRA regulations set forth in Volume 6 of the New York Code of Rules and Regulations, Section 617.00 et seq. and the City Environmental Quality Review (CEQR) Rules of Procedure of 1991 and Executive Order No. 91 of 1977. The designated CEQR number is 17DCP062M. The lead is the City Planning Commission.

After a study of the potential impacts of the proposed actions in the Environmental Assessment Statement (EAS) issued on December 9, 2016, a Negative Declaration was issued on December 12, 2016.

On March 31, 2017 a Revised Environmental Assessment Statement (EAS) was issued, with an updated With-Action Scenario. The original application and EAS analyzed a With-Action Scenario consisting of 11 dwelling units based on an average unit size of 1,200 sf. Subsequent to Certification of the Proposed Action, the Applicant determined nine dwelling units, with two units per floor on each of floors two through five, and a single unit in the penthouse addition, to be a more feasible plan based on requirements for two means for egress for each unit and limitation of the building floor area. The Revised EAS concluded that the proposed actions, incorporating the updated With-Action Scenario, would not result in any new or different significant adverse environmental impacts not already identified in the previous Negative Declaration. A Revised Negative Declaration was issued on May 8, 2017. The Revised Negative Declaration reflects the changes to the Proposed Action and supersedes the Negative Declaration issued on December 12, 2016.

The Revised Negative Declaration included an (E) designation (E-402) for air quality and noise to avoid the potential for significant adverse impacts, as described below:

The text for the (E) designation related to air quality is as follows:

Any new development on the above referenced property must ensure that the HVAC stack is located at least 107 feet above grade to avoid any potential significant adverse air quality impacts.

The text for the (E) designation related to noise is as follows:

For all residential/commercial units in the building, a closed window condition with a minimum of 31 dB(A) window/wall attenuation must be provided in order to maintain an acceptable interior noise level.

With the implementation of the above (E) designation (E-402), no significant adverse impacts related to air quality and noise would occur.

UNIFORM LAND USE REVIEW

This application (C 170137 ZSM) was certified as complete by the Department of City Planning on December 12, 2016, and was duly referred to Manhattan Community Board 2 and Manhattan Borough President, in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b).

Community Board Public Hearing

Community Board 2 held a public hearing on this application on February 8, 2017, and on February 16, 2017, by a vote of 23 in favor, 12 opposed and with one abstention, adopted a resolution recommending disapproval of the application.

Borough President Recommendation

The application was considered by the Borough President, who issued a recommendation approving the application on March 20, 2017.

City Planning Commission Public Hearing

On March 22, 2017 (Calendar No. 6), the City Planning Commission scheduled April 5, 2017, for a public hearing on this application (C 170137 ZSM). The hearing was duly held on April 5, 2017 (Calendar No. 23). Two people spoke in favor of the application.

The applicant's land use counsel described the proposed project and land use action, emphasizing how the proposed project would meet the findings of the special permit and enhance the historic character of Greene Street. A representative of the Manhattan Borough President reiterated the Borough President's recommendation for approval. There were no other speakers and the hearing was closed.

CONSIDERATION

The Commission believes that the grant of this special permit (C 170137 ZSM) is appropriate.

The special permit to modify the use regulations of Sections 42-10 and 42-14(D)(2)(b) would facilitate the conversion of an existing building plus rooftop addition located at 10 Greene Street into a mixed-use building with ground floor retail and residential above.

The Commission believes that the modification of use regulations to allow Use Group 6 retail use and Use Group 2 residential use in the building would not adversely affect any conforming uses within the building, as the entire building has been vacant for over a year. The Commission also notes that historically the building was exclusively occupied by manufacturing and commercial uses, and that the proposed use modification would not result in the displacement of existing JMWQA or any protected dwelling units.

The Commission also believes that such use modification would have minimal adverse effects on the conforming uses in the surrounding area. The Commission recognizes that over the years, the surrounding SoHo neighborhood has evolved from a primarily manufacturing district to a mixed-use area with a dynamic mix of retail, office, a variety of dwellings, including JLWQAs, residential lofts and Use Group 2 residences, and a handful of remaining manufacturing uses. The Commission observes that the buildings on Greene Street between Canal and Grand Streets typically contain commercial uses on the ground floor and loft units, JLWQA and residential uses on the upper floors. Across the street from the project site, a seven-story mixed-use building with over 30 residential units is being developed. The Commission therefore believes that the ground floor Use Group 6 retail use and the upper floor Use Group 2 residential use proposed for the building are analogous to the uses occupying most of the surrounding buildings along Greene Street, and that the proposed mixed-use project is consistent with the prevailing land use pattern found in the surrounding area.

The Commission acknowledges that the applicant has made commitments in a letter to the Manhattan Borough President and at the City Planning Commission public hearing to working with NYCEDC's "Made in NY" program and the Department of Cultural Affairs to explore potential tenants that support arts, cultural organizations and local businesses.

The Commission is also in receipt of a report dated March 4, 2016 (LPC-172918, MOU 18-2929) from the LPC stating that it has reviewed the proposal and that a program has been established for continuing maintenance that will result in the preservation of the subject building, and that the required restoration work under the continuing maintenance program contributes to a preservation purpose. The continuing maintenance program is contained within a restrictive declaration entered into in connection with this application. The Commission believes that the redevelopment and improvement of this building, to be facilitated by this special permit, will enhance the architectural and historic built fabric of Greene Street and the SoHo Cast-Iron Historic District.

FINDINGS

The City Planning Commission hereby makes the following findings pursuant to Section 74-711 (Landmark preservation in all districts) of the Zoning Resolution:

- (1) [This finding is not applicable; no bulk modification is being requested]
- (2) Such use modifications shall have minimal adverse effects on the conforming uses within the building and in the surrounding area.

RESOLUTION

RESOLVED, that the City Planning Commission finds that the actions described herein will have no significant impact on the environment; and be it further

RESOLVED, by the City Planning Commission, pursuant to Sections 197-c and 200 of the New York City Charter, that based on the environmental determination, and the consideration and findings described in this report, the application submitted by 10 Greene Owner LLC pursuant to Sections 197-c and 201 of the New York City Charter for the grant of a special permit pursuant to Section 74-711 of the Zoning Resolution to modify the use regulations of Section 42-10 to allow residential uses (Use Group 2 uses) on portions of the cellar and ground floor and on the 2nd through 5th floors and proposed 2-story penthouse, and the use regulations of Section 42-14D(2)(b) to allow retail uses (Use Group 6 uses) on the ground floor and portions of the cellar of an existing 5-story building, on property located at 10 Greene Street (Block 230, Lot 13), in an M1-5B District, within the SoHo-Cast Iron Historic District, Borough of Manhattan, Community District 2 as follows:

1. The property that is the subject of this application (C 170137 ZSM) shall be developed in size and arrangement substantially in accordance with the dimensions, specifications and zoning computations indicated on the following plans, prepared by N-Plus Architecture & Design and RSVP Architecture Studio PLLC, filed with this application and incorporated in this resolution:

<u>Dwg. No.</u>	<u>Title</u>	<u>Last Date Revised</u>
Z-001.00	Zoning Site Plan	10-28-16
Z-101.00	Zoning Diagrams & Analysis	11-21-16

A-200.00	Proposed Cellar Floor Plan	10-28-16
A-201.00	Proposed Ground Floor Plan	10-28-16
A-202.00	Proposed 2 nd & 3 rd & 4 th Floor Plan	10-28-16
A-203.00	Proposed Fifth Floor Plan	10-28-16
A-204.00	Proposed Sixth Floor Plan	10-28-16
A-205.00	Proposed Mezzanine Floor Plan	10-28-16
A-610.00	Proposed Building Section	11-21-16
A-611.00	Proposed Building Section	11-21-16

2. Such development shall conform to all applicable provisions of the Zoning Resolution, except for the modifications specifically granted in this resolution and shown on the plans listed above which have been filed with this application. All zoning computations are subject to verification and approval by the New York City Department of Buildings.
3. Such development shall conform to all applicable laws and regulations relating to its construction, operation and maintenance.
4. In the event the property that is the subject of the application is developed as, sold as, or converted to condominium units, a homeowners' association, or cooperative ownership, a copy of this resolution and the restrictive declaration described below and any subsequent modifications to either document shall be provided to the Attorney General of the State of New York at the time of application for any such condominium, homeowners' or cooperative offering plan and, if the Attorney General so directs, shall be incorporated in full in any offering documents relating to the property.
5. All leases, subleases, or other agreements for use or occupancy of space at the subject property shall give actual notice of this special permit to the lessee, sublessee or occupant.
6. Development pursuant to this resolution shall be allowed only after the restrictive declaration dated May 2, 2017, executed by 10 Greene Owner LLC, the terms of which are

hereby incorporated in this resolution, shall have been recorded and filed in the Office of the Register of the City of New York, New York County.

7. Upon the failure of any party having any right, title or interest in the property that is the subject of this application, or the failure of any heir, successor, assign, or legal representative of such party, to observe any of the covenants, restrictions, agreements, terms or conditions of this resolution and the attached restrictive declaration whose provisions shall constitute conditions of the special permit hereby granted, the City Planning Commission may, without the consent of any other party, revoke any portion of or all of said special permit. Such power of revocation shall be in addition to and not limited to any other powers of the City Planning Commission, or of any other agency of government, or any private person or entity. Any such failure or breach of any of the conditions as stated above, may constitute grounds for the City Planning Commission or the City Council, as applicable, to disapprove any application for modification, renewal or extension of the special permit hereby granted or of the attached restrictive declaration.
8. Neither the City of New York nor its employees or agents shall have any liability for money damages by reason of the city's or such employee's or agent's failure to act in accordance with the provisions of this special permit.

The above resolution (C 170137 ZSM), duly adopted by the City Planning Commission on May 10, 2017 (Calendar No. 24), is filed with the Office of the Speaker, City Council, and the Borough President together with a copy of the plans of the development, in accordance with the requirements of Section 197-d of the New York City Charter.

MARISA LAGO, *Chair*

KENNETH J. KNUCKLES, *Esq.*, *Vice-Chairman*

RAYANN BESSER, IRWIN G. CANTOR, P.E., ALFRED C. CERULLO, III,

MICHELLE DE LA UZ, JOSEPH I. DOUEK, RICHARD W. EADDY,

CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN,

ORLANDO MARIN, LARISA ORTIZ, *Commissioners*

Terri Cude, *Chair*
Dan Miller, *First Vice Chair*
Susan Kent, *Second Vice Chair*
Bob Gormley, *District Manager*



Antony Wong, *Treasurer*
Keen Berger, *Secretary*
Erik Coler, *Assistant Secretary*

COMMUNITY BOARD NO. 2, MANHATTAN

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February 17, 2017

Purnima Kapur, Executive Director
City Planning Commission
22 Reade Street
New York, NY 10007

Dear Ms. Kapur:

At its Full Board meeting on February 16, 2017, CB#2, Manhattan (CB2, Man.), adopted the following resolution:

C 170137 ZSM-10 Greene Street (between Canal and Grand Streets) CPC application for a special permit 74-711 in a M1-5B district to modify the use regulations to allow residential uses on portions of the cellar and ground floor and on the 2nd through 5th floors and proposed 2-story penthouse, and the use regulations of to allow retail uses on the ground floor and portions of the cellar of an existing 5-story building.

Whereas

1. This application is for a Special Permit to allow residential uses (Use Group 2) on portions of the cellar and on the 2d through Penthouse levels, and retail uses on the ground floor and portions of the cellar.
2. The applicant intends to alter the ground floor and existing vertical circulation core and add a one-story (including a mezzanine) penthouse rooftop addition to the existing building.
3. The applicant intends to use the cellar for retail and accessory residential use, the ground floor for retail use, and the upper floors for residential use.
4. To the best of the applicant's knowledge, the building has never had a certificate of occupancy nor has it ever been residential, Joint Live Work Quarters for Artists or been occupied by IMD or rent-stabilized tenants.
5. While this building never housed artists in a JLWQA environment as proffered by the applicant as a reason for approval, this building nevertheless falls into the zone which permits that use as of right as did other buildings that were once solely and only manufacturing uses and now houses JLWQA for artists.
6. 74-711 was added to the Zoning Resolution to promote restoration and preservation of historic district structures at a time when the associated costs could not be justified based on uses allowed under antiquated manufacturing zoning.

7. The special permits granted under 74-711 were successful and the restoration has substantially increased achievable revenue for restored buildings to the extent that 74-711 is itself now antiquated.
8. The loss of new opportunities for JLWQA units is now a threat to the special character of the district as an area that supports a thriving artist community that is of great importance for commerce in the area and vitality of the city as a whole.
9. To achieve balance until the provisions of 74-711 are adapted to the new underlying conditions, CPC should use its power to prescribe conditions and safeguards to enhance the character of the development by limiting the use changes to include only allowance of Use Group 6 on the ground floor.
10. The applicant did not offer to amend the application, upon request of the board, JLWQA uses should be created in the building to fulfill the intent of the zoning and to maintain the character of the neighborhood.
11. CB2 sees no compelling reason that the as of right zoning should not be adhered to and complied with in this project.

Therefore be it resolved, that CB2, Man. recommends denial of the application.

Vote: Passed, with 23 Board members in favor, 12 in opposition (S. Aarons, D. Borelli, A. Brandt, R. Chattree, S. Gammie, R. Goldberg, M. Maron, D. Miller, R. Rothstein, R. Sanz, S. Russo, C. Spence), and 1 abstention (K. Berger).

Please advise us of any decision or action taken in response to this resolution.

Sincerely,



Terri Cude, Chair
Community Board #2, Manhattan



Anita Brandt, Chair
Land Use & Business Development Committee
Community Board #2, Manhattan

TC/fa

c: Hon. Jerrold L. Nadler, Congressman
Hon. Yiu-Line Niou, NYS Assembly Member
Hon. Deborah Glick, Assembly Member
Hon. Daniel Squadron, NY State Senator
Hon. Gale A. Brewer, Manhattan Borough President
Hon. Margaret Chin, Council Member
Sylvia Li, Dept. of City Planning



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Gale A. Brewer, Borough President

March 17, 2017

**Recommendation on ULURP Application C 170137 ZSM – 10 Greene Street
By 10 Greene Owner LLC**

10 Greene Owner LLC (“the applicant”) seeks a special permit pursuant to Section 74-711 of the Zoning Resolution (“ZR”) to modify the use regulations to allow retail uses on the ground floor, portions of the cellar and residential uses on portions of the cellar and 2nd through penthouse levels of an existing 5-story building located at 10 Greene Street (Block 230, Lot 13) in an M1-5B district within the SoHo-Cast Iron Historic District, in Community Board 2, Manhattan.

Pursuant to ZR § 74-711, applicants may request a special permit to modify the use regulations of zoning lots that contain landmarks or are within Historic Districts as designated by the Landmarks Preservation Commission (“LPC”). In order for the City Planning Commission (“CPC”) to grant use modifications, the applicant must first meet the following conditions:

- 1) LPC has issued a report stating that the applicant will establish a continuing maintenance program for the preservation of the building and that such modification or restorative work will contribute to a preservation purpose;¹
- 2) The application shall include a Certificate of Appropriateness, other permit, or report from LPC stating that such bulk modifications relate harmoniously to the subject landmark building in the Historic District;²
- 3) The maximum number of permitted dwelling units is as set forth in ZR § 15-111.³

Further, in order to grant a special permit, the CPC must find that:

- 1) The modifications shall have minimal adverse effects on the structures or open space in the vicinity in terms of scale, location and access to light and air;
- 2) Such modifications shall have minimal adverse effects on the conforming uses within the building and in the surrounding area.

PROJECT DESCRIPTION

The applicant seeks a special permit pursuant to ZR § 74-711 to allow residential use (UG2) on the cellar and 2nd through penthouse levels and commercial/retail use (UG6) on portions of the cellar and ground floor of an existing five-story cast-iron loft building. The applicant also

¹ The LPC issued a report to the City Planning Commission, MOU 18-2929, dated March 4, 2016.

² The LPC issued the Certificate of Appropriateness (COFA #18-2925) on March 4, 2016.

³ The proposal is for four residential units. This is below the maximum permitted number of dwelling units, 15, set forth in Section 15-111.

proposes a rooftop addition. The project will consist of 11, 680 square feet of UG2 floor area and 1,991 square feet of UG6 floor area.

The project site's lot area is 2,813 square feet and is located at 10 Greene Street within an M1-5B district which permits light manufacturing, commercial and community facility uses; joint-live work quarters for artists (JLWQA) are permitted as a light manufacturing use. Use Group 7, 9, 11, 16, 17A, 17B, 17C and 17D are permitted below the second story as-of-right. The manufacturing and commercial maximum floor area ratio (FAR) is 5.0 and the community facility FAR is 6.5. Retail use is not permitted as of right.

Background

The existing building was designed by J.B Snook in 1869 for a merchant of silk textiles, Thomas Lewis, in conjunction with 12 Greene Street as a store and loft building. By 1971, Meli Renting Corporation took ownership of the building and used it for manufacturing uses throughout the entire building for the next two decades. Between 1995 and 2006, the upper floors of the building were used as commercial space: office, art gallery/studio and architectural firms. The ground floor appears to have been used for commercial uses throughout this period. The subject building has never had a Certificate of Occupancy ("CofO") and no records were found to indicate occupancy by interim multiple dwelling ("IMD") or rent-stabilized tenants.

On March 4, 2016, the Landmarks Preservation Commission approved restorative work, construction of a two-story penthouse addition and installation of new storefront infill at the Greene Street façade. The approved work also includes: installation of new decorative cast iron elements at various locations, repainting the cast iron façade and fire escape white, installing new two-over-two double-hung windows, restoring cast iron vault light steps in kind, new metal shutters and reconstructing the historic sloped skylight at the first floor and replacing brick and pointing mortar in kind. The LPC found that the proposed work would not result in the loss or removal of any significant historic fabric and would return significant elements of the building to its historic appearance.

Area Context

The project site is located in a M1-5B zoning district in the SoHo-Cast Iron Historic District in Community District 2, Manhattan. The SoHo-Cast Iron Historic District was designated by the Landmark's Preservation Commission in 1973 as an effort to preserve the city's cultural and historic heritage of the brick, stone, mixed iron and masonry commercial construction of the post-Civil War period. The SoHo-Cast Iron Historic District consists of 26 blocks containing 500 buildings and is the largest concentration of full and partial cast-iron façades in the world. The district is bounded by West Houston Street, Crosby Street, Howard Street, Broadway, Canal Street and West Broadway. Immediately south of the site is the Tribeca East Historic District which was designated in 1992. This district includes cast-iron and masonry commercial store and loft buildings developed in the mid-19th and early 20th century when dry goods and textile trade thrived in the City.

The blocks along Greene Street generally consist of five to six-story buildings. Most of the buildings on the block have JLWQA on their CofO and function primarily as residential on the upper floors and commercial/office on the ground floor. There are also a number of retail

storefronts on the block corners and beginning midblock of Greene Street, retail is present. North of the site, beginning at Broome Street, is a M1-5A zoning district which also extends to the west along West Broadway. Further southwest of the site is a C6-2A zoning district at Avenue of The Americas.

The project site is served by the Canal Street stops on the N/Q/R/W subway stop located at the intersection of Canal Street and Broadway and the A/C/E subway line located at 6th Avenue and West Broadway. Citibike bicycle stations are located one block north and south of the site.

Proposed Actions

The applicant seeks a special permit pursuant to ZR § 74-711 to allow residential uses on portions of the cellar and second through penthouse levels and allow retail uses on the ground floor and portions of the cellar of an existing five-story building.

As described in the application materials, LPC's Certificate of Appropriateness and Certificate of No Effect reports, the proposed scope of work will ensure the building is maintained in a sound, first-class condition and reinforce the architectural and historic character of the building streetscape and the historic district.

COMMUNITY BOARD RECOMMENDATION

On February 16, 2017, Manhattan Community Board 2 ("CB2") recommended denial of the application by a vote of 23 in favor, 12 in opposition, and 1 abstention. CB2 stated the applicant should adhere to as of right development at the site by providing a JLWQA unit to maintain and support the artistic character of the neighborhood. The Board also expressed that the City Planning Commission ("CPC") should prescribe conditions and safeguards to the 74-711 special permit to allow UG6 on the ground floor only.

BOROUGH PRESIDENT'S COMMENTS

The special permit pursuant to ZR § 74-711 is a tool to modify use or bulk restrictions of the Zoning Resolution in order to make the ownership and preservation of historic buildings less financially burdensome. In order to grant the waivers associated with this special permit as a condition of approval, the applicant must ensure the property will be properly rehabilitated and maintained in perpetuity. The applicant for this special permit has undertaken significant restoration of the building based on recommendations from the Landmarks Preservation Commission and the restoration and maintenance plan will contribute to a preservation purpose. The findings under which this special permit may be granted, is that the modification must have a minimum impact on the conforming uses within the building and within the surrounding community.

Since shortly after taking office, I have repeatedly expressed concerns about the cumulative effects on the character of SoHo and NoHo from the application of this and other special permits to allow change in use. These special permits are repeatedly used to turn loft buildings into luxury condominiums with ground floor retail to "subsidize" the luxury housing or cost of restoration. Manufacturing and even non-manufacturing commercial use has steadily been

pushed out, JLWQA, a conforming residential use that used to provide a type of more affordable live/work space and contribute greatly to neighborhood character, has disappeared. The remaining units may rent upwards of \$10,000 a month. This makes no sense if there is less demand for these spaces; or is the goal a purposeful desire to keep these units vacant so as to justify conversion to market-rate residential.

Recognizing these trends, I requested two things in 2015: (1) a study by the Department of City Planning to study the current zoning framework; and (2) that the threshold to trigger Mandatory Inclusionary Housing be lowered to 10,000 square feet precisely so that these ultra-luxury loft conversions could result in the creation of some affordable housing. Despite commitments on both of these requests from DCP, we continue to be inundated with these land use applications and because neither of these commitments have come to fruition, we are left with very little recourse other than to repeatedly write recommendations expressing our frustration. Our office and the community have valid concerns about how these land use actions will continue to impact the landscape of the SoHo and NoHo neighborhood's without a comprehensive framework moving forward.

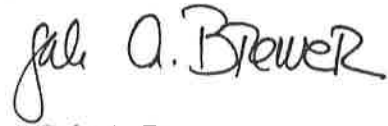
The applicant purchased the subject building in 2014 with the intention of converting to UG2 residential use and UG6 retail use given the overwhelming number of use change applications that have been approved in the SoHo and NoHo neighborhoods favoring these exact uses since the early 2000's. The block of the site consists of many commercial/office buildings with JLWQA uses on the upper floors, of which some are for rent, residential use and a number of non-conforming ground floor commercial retail uses. By early 2016, the subject building became entirely vacant after being used as office space for two architectural firms, two art galleries, two art studios, a personal office for the former owner and an office space for a bed and breakfast owner. The building was constructed for traditional manufacturing uses and has no history of JLWQA use on the upper floors.

Because of the building's history, this special permit does not involve the loss of JLWQA or other types of protected units. However, because of the situation CB2 and I find ourselves in, we understand and agree with their desire to require some use-based acknowledgement of the character that made SoHo what it is and indeed is the character still reflected in the current zoning for the neighborhood. The applicant has responded to CB2's request for a JLWQA unit but its materials demonstrate that such a unit may not, as the applicant claims, be financially or physically feasible. In a meeting between the applicant and my office, the applicant stated its willingness to work with non-profit artist organizations to host pop-up shops in the ground floor space and possible artisanal types of tenants. Indeed, the applicant has gone somewhat further and agreed to reach out to the Department of Cultural Affairs and the Economic Development Corporation's Made in NY program in an effort to locate cultural and creative organizations that might be appropriate for the ground floor and cellar space (see letter attached).

I believe this is something that DCP, the Department of Cultural Affairs and the Economic Development Corporation should be more formally pursuing and actively encouraging in all ground floor use change applications in the SoHo and NoHo neighborhoods.

BOROUGH PRESIDENT'S RECOMMENDATION

**Therefore, the Manhattan Borough President recommends approval of ULURP
Application NO. C 170137 ZSM.**

A handwritten signature in black ink that reads "Gale A. Brewer". The signature is written in a cursive, flowing style.

Gale A. Brewer
Manhattan Borough President