

October 22, 2024

**Municipal Art Society of New York Comments to New York City Council Subcommittee on Zoning and Franchises on City of Yes for Housing Opportunity (N 240290ZRY)**

**Introduction**

The Municipal Art Society of New York (MAS) supports the City of Yes for Housing Opportunity (COYHO) zoning text amendment to produce much-needed housing through incremental citywide zoning changes. Restrictive and outdated zoning regulations have impeded housing production and contributed to the current housing crisis. In response, COYHO offers a host of citywide zoning changes—collectively, the most significant in over 50 years—designed to add “a little more housing in every neighborhood.” Taken as a whole, COYHO would distribute contextual residential density across the city and expand it through different building types, many of which are not permitted under current zoning.

As one of its primary objectives, COYHO seeks to unlock the long-neglected “missing middle,” modest three to six-story buildings that are comparatively less expensive to build but have been prohibited by zoning since 1961. In low-density residential areas of the city, some of which were subject to downzoning under previous mayoral administrations, COYHO would also result in moderate amounts of new floor area, particularly near transit stops and in commercial corridors, which could add to the city’s housing supply. All told, these changes would diversify the city’s housing stock, opening opportunities for transit-oriented development, housing in town centers, and shared housing spaces such as SROs.

We recognize that as profoundly unaffordable as New York has become, zoning reforms alone will not solve our housing crisis nor will COYHO guarantee housing affordability. The City’s projections show that only 20 percent, approximately 22,000, of the new housing units, would be affordable. We must complement COYHO with comprehensive planning, incentives, state and city funding, and programs that can put the city in the best position to grow and meet the needs of New Yorkers, particularly those most heavily burdened by escalating rents and other housing costs. MAS is encouraged that the City Council has signaled that it will leverage their review of COYHO to push for a comprehensive affordable housing plan.

MAS urges the City Council to ensure that the citywide benefits under COYHO are not lost. We do have recommendations for enhancing and clarifying certain sections of the text amendment outlined below.

**Lifting the Citywide Zoning Parking Mandate**

Lifting the parking mandate is important for addressing two of New York City’s most pressing issues: the housing emergency and the climate crisis. By committing to eliminating this outdated requirement, the city can unlock valuable space for new housing developments, particularly near transit stations, facilitating the construction of more affordable units and increasing overall density. Additionally, by supporting transit-oriented development in lieu of parking requirements, COYHO supports the City’s climate mandate by reducing greenhouse gas emissions and air pollution.

While some car owners, particularly those in lower density residential neighborhoods in Queens and Brooklyn, have expressed concern about the removal of current parking mandates, MAS asserts that this change would not eliminate parking altogether—it would give developers the flexibility to assess the needs of each project. If demand for parking exists, developers can still choose to include it. This approach balances the needs of drivers while prioritizing housing and environmental goals, creating a more adaptable and efficient use of space.

Finally, MAS believes granting exceptions or limiting the removal of the parking mandate in specific areas would undermine the overall housing and climate benefits and complicate decision making. This policy shift will be most effective if implemented citywide, ensuring that the reduction in parking requirements leads to meaningful improvements in housing affordability and sustainability across all neighborhoods. This policy shift is a smart step toward a more sustainable, livable, and equitable New York. MAS recommends that the City Council approve it as drafted.

### **Universal Affordability Preference (UAP)**

MAS supports UAP as a new mechanism to incentivize affordable housing under COYHO. UAP would allow property owners to receive a 20 percent density bonus so long as the additional floor area is dedicated as 100 percent affordable housing. The additional units would also be at a deeper level of affordability (60 percent AMI) than the existing Voluntary Inclusionary Housing (80 percent AMI) program that UAP would replace.

However, while we support UAP, COYHO opens a loophole that should be addressed by the City Council. With UAP replacing Voluntary Inclusionary Housing (VIH), additional floor area (ranging from 0.30 to 1.8 FAR) not included in the 20 percent FAR allowance under UAP, *will automatically be given to property owners* in VIH designated areas. This applies to properties in VIH areas that have not pursued affordable housing. With COYHO, the additional floor area bump would ensure that the entire zoning district has the same FAR. While it makes sense to restore the original FARs in high density residential districts where VIH applies, as it stands, some property owners would receive free floor area without choosing UAP. To increase affordable housing potential, we would like the City Council to consider allowing the additional FAR in current VIH areas only if it is directly applied to affordable housing at the same AMI as UAP.

### **Accessory Dwelling Units (ADUs)**

Easing zoning barriers to allow property owners in low-density residential districts to add ADUs is a low-impact way to expand housing options to family members, seniors, young adults, and workers. ADU programs have been implemented in several states including California, Connecticut, Oregon, and Washington.<sup>2</sup> However, ADUs are expensive to construct, which could be a major obstacle. Costs in New York State range from \$30,000 to 324,000 depending on the type of ADU.<sup>1</sup>

We are encouraged by the recent announcement that the City will provide \$4 million in financial assistance and technical support for up to 20 homeowners to add ADUs through an extension of the Plus One Accessory Dwelling Unit Program (Plus One). The original Plus One program, which provided HPD grants of up to \$395,000 to 15 homeowners, attracted more than 2,800 applicants.<sup>2</sup> It is clear more

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<sup>1</sup> <https://www.gatheradu.com/adu-cost-calculator>

<sup>2</sup> <https://www.nyc.gov/office-of-the-mayor/news/614-24/mayor-adams-new-tools-help-new-yorkers-add-accessory-homes-build-generational-wealth->

financial assistance will be needed for ADUs to be a viable way to add up to 40,000 dwelling units as projected.<sup>5</sup>

MAS urges the City Council to do the following:

- Publish the results of the expanded Plus One program, including type of construction, locations, and costs once the homeowners have completed their ADUs.
- Based on the results of Plus One, work with HPD and other funders to extend the benefits in a long-term program.
- Clarify how ADU construction will be regulated and enforced to ensure that homeowners are using the program to create new housing units and not just expanding their homes.

**Transfer of Development Rights from Landmarks**

MAS supports expanding the transfer of development rights (TDRs) from individual landmarks to low-density residential districts and historic districts, allowing transfers to zoning lots across a street or intersection from a landmark. Considering how infrequently the Landmark TDR Program has been used, the high cost of maintaining landmarked properties, and the continual development pressure involving landmarks, we believe this change is long overdue.

MAS has the following recommendations about how landmark TDRs should be regulated:

- If a property owner receiving landmark development rights seeks bulk modifications to accommodate the additional floor area, a special permit should still be required for the following reasons:
  - TDRs from landmarks could have a significant impact on neighborhoods in terms of urban design and shadows on open space and historic properties, especially in historic districts. Potential impacts should be evaluated.
  - Elected officials, community boards, and community members in affected neighborhoods should be able to provide input as part of the full public review process that a special permit affords.
- If an owner of a site receiving landmark development rights does not seek bulk modifications, an authorization from CPC should be required so the local community board can provide input.

**Office Conversions**

MAS supports the zoning changes that would allow office-to-residential conversions of buildings constructed before 1991, expanding the geographic applicability for conversions citywide, and enabling conversions for a wider variety of housing types (i.e., shared living spaces). This is a sensible way to unlock space for housing, not only in Manhattan, but in underused or vacant office buildings in low-density areas citywide. However, it is unclear how much housing could be expected with the changes or how affordable it would be given the physical and financial challenges of conversions.

*Housing Production from Conversions*

According to the Manhattan Borough President's Office, conversions under the COYHO could produce 6,000 units over the next 15 years.<sup>3</sup> However, other than the two examples of conversions included in the DEIS and FEIS (Prototypical Site 7-1 & 7-2), there is little information included in the housing market study (Appendix B) to support this projection. If the Manhattan Borough President's projections are correct, 400 units a year produced through office conversions seems low.

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<sup>3</sup> <https://www.manhattanbp.nyc.gov/wp-content/uploads/2024/07/COY-Housing-Report-V6.pdf>

To provide more transparency and disclosure, we request the City issue additional information about the methodology used and the projections for how many dwelling units could be produced through office-to-residential conversions and the findings from the citywide inventory of vacant and underutilized office buildings that could be converted.

### *Affordability*

Over the years there have been several office-to-residential conversions completed in Manhattan's Financial District, but most if not all have produced luxury housing units far out of reach for most New Yorkers. In addition, given developer interest in the City's Office Conversion Accelerator Program, we can expect more high-priced units with conversions.<sup>4</sup> As part of the housing deal passed in this year's State budget, property owners who convert office space to residential would get a significant tax break so long as twenty-five percent of new units are set aside as affordable at a weighted average of 80 percent AMI. However, it is unlikely that enough developers will enter the program to make a dent in the affordable housing deficit. We urge the city to explore additional incentives (i.e., floor area bonuses) for developers to provide affordable housing with office conversions.

### **Campus Infill**

For infill development, COYHO changes could significantly affect the intent and design of the tower in park building form. Tower in park design is prevalent in many New York City neighborhoods that house the city's lower middle-class and middle-class residents, such as Lefrak City in Corona, Queens, and Lafayette Estates in Soundview, Bronx. Residents in similar large-scale residential developments deserve comprehensive and meaningful engagement with decision-makers on the design of future infill projects. Since many of these developments were designed intentionally to balance open green space for the health of residents, we urge the City to proactively seek stakeholder input and address concerns with more nuanced planning and resulting text changes.

### **Conclusion**

COYHO compliments the State's lifting of the residential FAR cap and approval of the 485-x real estate tax incentive program. Taken together, these new tools should help NYC build new housing. In any event, the City must approach these opportunities holistically, providing support for communities by ensuring that social and physical infrastructure meets neighborhood needs when density increases and best ensuring that the housing needs of all New Yorkers are considered.

Thank you for the opportunity to comment on this vitally important proposal.

Sincerely,



Elizabeth Goldstein

President, The Municipal Art Society of New York

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<sup>4</sup> <https://archinect.com/news/article/150428763/64-building-owners-express-interest-in-entering-nyc-s-office-conversion-accelerator-program>