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## Response to Comments on the DEIS

### Introduction

This document summarizes and responds to comments on the Draft Environmental Impact Statement (DEIS) for Citywide Hotels Text Amendment, published on May 3, 2021.

City Environmental Quality Review (CEQR) requires a public hearing as part of the environmental review process. Oral and written comments were received during the meeting held by the New York City Planning Commission (CPC) on July 14, 2021. Written comments were accepted from issuance of the DEIS through the close of the public comment period, which ended July 26, 2021. **Appendix D** contains the written comments received on the DEIS.

**Section 1** lists the elected officials, community boards, organizations, and individuals that provided relevant comments on the DEIS. **Section 2** contains a summary of these relevant comments and a response to each. These summaries convey the substance of the comments made, but do not necessarily quote the comments verbatim. Comments are organized by subject matter and generally parallel the chapter structure of the DEIS. Where more than one commenter expressed similar views, those comments have been grouped and addressed together.

# 1. List of Elected Officials, Organizations, and Individuals who Commented on the Draft Scope of Work

## Elected Officials

1. Adrienne Adams, City Councilmember, NYC Council District 28, written statement dated July 25, 2021 (A. Adams)
2. Eric Adams, Brooklyn Borough President, written statement dated July 9, 2021 (E. Adams)
3. Justin Brannan, City Councilmember, NYC Council District 43, spoken testimony (Brannan)
4. Gale Brewer, Manhattan Borough President, spoken testimony (Brewer)
5. Daniel Dromm, City Councilmember, NYC Council District 25, written statement dated July 23, 2021 (Dromm)
6. James Gennaro, City Councilmember, NYC Council District 24, spoken testimony (Gennaro)
7. Ben Kallos, City Councilmember, NYC Council District 5, written statement dated July 14, 2021 (Kallos)
8. Mark Levin, City Councilmember, NYC Council District 7, spoken testimony (Levin)
9. Francisco Moya, City Councilmember, NYC Council District 21, written testimony dated July 26, 2021 (Moya)
10. James Oddo, Staten Island Borough President, written testimony dated July 12, 2021 (Oddo)
11. Keith Powers, City Councilmember, NYC Council District 4, spoken testimony and written statement dated January 22, 2021 (Powers)
12. Antonio Reynoso, City Councilmember, NYC Council District 34, spoken testimony (Reynoso)
13. Donovan Richards, Queens Borough President, written statement dated July 21, 2021 (Richards)
14. Kevin Riley, City Councilmember, NYC Council District 12, spoken testimony (Riley)
15. Carlina Rivera, City Councilmember, NYC Council District 2, written statement dated July 16, 2021 (Rivera)
16. Helen Rosenthal, City Councilmember, NYC Council District 24, spoken testimony and written statement dated July 13, 2021 (Rosenthal)
17. Mark Treygor, City Councilmember, NYC Council District 47, written statement dated July 26, 2021 (Treygor)
18. Jimmy Van Bramer, City Councilmember, NYC Council District 26, written statement dated July 26, 2021 (Van Bramer)

## Community Board

1. Bronx Community Board 1, written statement dated July 26, 2021 (BX CB1)
2. Bronx Community Board 3, written statement dated May 24, 2021 (BX CB3)
3. Bronx Community Board 6, written statement dated June 23, 2021 (BX CB6)
4. Bronx Community Board 8, written statement dated June 18, 2021 (BX CB8)
5. Bronx Community Board 9, written statement dated June 24, 2021 (BX CB9)
6. Bronx Community Board 10, written statement dated June 21, 2021 (BX CB10)

7. Bronx Community Board 12, written statement dated July 28, 2021 (BX CB12)
8. Brooklyn Community Board 1, written statement dated July 12, 2021 (BK CB1)
9. Brooklyn Community Board 2, written statement dated June 21, 2021 (BK CB2)
10. Brooklyn Community Board 3, written statement dated July 26, 2021 (BK CB3)
11. Brooklyn Community Board 6, written statement dated August 6, 2021 (BK CB6)
12. Brooklyn Community Board 10, written statement dated June 25, 2021 (BK CB10)
13. Brooklyn Community Board 11, written statement dated June 21, 2021 (BK CB11)
14. Brooklyn Community Board 13, written statement dated June 7, 2021 (BK CB13)
15. Brooklyn Community Board 14, written statement dated July 12, 2021 (BK CB14)
16. Brooklyn Community Board 15, written statement dated June 26, 2021 (BK CB15)
17. Brooklyn Community Board 18, written statement dated June 9, 2021 (BK CB18)
18. Manhattan Community Board 1, written statement dated June 4, 2021 (MN CB1)
19. Manhattan Community Board 2, written statement dated May 21, 2021 (MN CB2)
20. Manhattan Community Board 3, written statement dated July 2, 2021 (MN CB3)
21. Manhattan Community Board 4, written statement dated June 22, 2021 (MN CB4)
22. Manhattan Community Board 5, written statement dated June 17, 2021 (MN CB5)
23. Manhattan Community Board 6, written statement dated June 14, 2021 (MN CB6)
24. Manhattan Community Board 7, written statement dated September 9, 2021 (MN CB7)
25. Manhattan Community Board 8, written statement dated June 14, 2021 (MN CB8)
26. Manhattan Community Board 9, written statement dated June 24, 2021 (MN CB9)
27. Manhattan Community Board 10, written statement dated July 2, 2021 (MN CB10)
28. Manhattan Community Board 11, written statement dated July 15, 2021 (MN CB11)
29. Manhattan Community Board 12, written statement dated June 4, 2021 (MN CB12)
30. Queens Community Board 1, written statement dated June 18, 2021 (QN CB1)
31. Queens Community Board 2, written statement dated July 15, 2021 (QN CB2)
32. Queens Community Board 4, written statement dated June 28, 2021 (QN CB4)
33. Queens Community Board 5, written statement dated June 14, 2021 (QN CB5)
34. Queens Community Board 6, written statement dated June 16, 2021 (QN CB6)
35. Queens Community Board 7, written statement dated June 25, 2021 (QN CB7)
36. Queens Community Board 8, written statement dated June 24, 2021 (QN CB8)
37. Queens Community Board 9, written statement dated June 16, 2021 (QN CB9)
38. Queens Community Board 10, written statement dated July 14, 2021 (QN CB10)
39. Queens Community Board 11, written statement dated June 9, 2021 (QN CB11)
40. Queens Community Board 12, written statement dated July 14, 2021 (QN CB12)
41. Queens Community Board 13, written statement dated June 14, 2021 (QN CB13)
42. Queens Community Board 14, written statement dated June 10, 2021 (QN CB14)
43. Staten Island Community Board 1, written statement dated June 10, 2021 (SI CB1)
44. Staten Island Community Board 2, written statement dated July 19, 2021 (SI CB2)

45. Staten Island Community Board 3, written statement dated May 26, 2021 (SI CB3)

## Organizations

1. BD Hotels, LLC, Principal Richard Born, written statement dated July 12, 2021 (BD Hotels)
2. Churches for Housing, Land Use and Policy Analyst Maxwell Cabello, spoken testimony (Churches for Housing)
3. Coalition Against Illegal Hotels, Vivian Abuelo, written statement dated July 22, 2021 (CAIH)
4. Downtown Brooklyn Partnership, Vice President of Real Estate Economic Development May Yu, spoken testimony and written statement dated July 14, 2021 (Downtown Brooklyn Partnership)
5. Hotel Trades Council, Attorney Christopher Rizzo, spoken testimony (Hotel Council)
6. LW Hospitality Advisors, on behalf of New Yorkers for Tourism, written statement dated July 26, 2021 (LWHA)
7. New York Communities for Change, Outreach Director Zachary Lerner, spoken testimony (Communities for Change)
8. Pratt Center, Director Adam Friedman, spoken testimony (Pratt Center)
9. Real Estate Council of New York, Senior Vice President of Planning Basha Gerhards and Chair of the Zoning and Design Committee Paul Selver, spoken testimony (REBNY)
10. Regional Plan Association, Vice President for Housing and Neighborhood Planning Moses Gates, spoken testimony (Regional Plan Association)

## Interested Public

1. Gwendolyn Allison, written statement dated July 21, 2021 (Allison)
2. Luis Calero, spoken testimony (Calero)
3. Richard Chu, spoken testimony (Chu)
4. Tom Cayler, written statement dated July 12, 2021 (Cayler)
5. Asim Deen, spoken testimony (Deen)
6. Carlos Encarnacion, spoken testimony (Encarnacion)
7. Joanne Georgiades, written statement dated July 13, 2021 (Georgiades)
8. Nelly Giraldo, spoken testimony (Giraldo)
9. Gene Kaufman, spoken testimony (Kaufman)
10. Jamell Henderson, spoken testimony (Henderson)
11. Patrick Houston, spoken testimony (Houston)
12. Harry Johnson, written statement dated July 21, 2021 (Johnson)
13. Cecelia Lewis, written statement dated July 21, 2021 (Lewis)
14. Jose Luna, spoken testimony (Luna)
15. Lystra Martin, written statement dated July 21, 2021 (Martin)
16. Cynthia Norris, spoken testimony (Norris)
17. Alice Nascimento, spoken testimony (Nascimento)
18. Biviana Pereira, spoken testimony (Pereira)

19. Jacqueline Phillips, written statement dated July 21, 2021 (Phillips)
20. Marie Pierre, spoken testimony (Pierre)
21. Betel Serra, spoken testimony (Serra)
22. Emily Solar, spoken testimony (Solar)

## 2. Comments and Responses on the DEIS

### Comments Received in Support of the Proposed Action

The following organizations and members of the interested public submitted testimony in support of the Proposed Action: City Councilmember Adrienne Adams; Brooklyn Borough President Eric Adams; Gwendolyn Allison; BD Hotels, LLC; City Councilmember Justin Brannan; Tom Cayler; Manhattan Borough President Gale Brewer; Luis Calero; Richard Chu; Churches for Housing; Coalition Against Illegal Hotels; Asim Deen; City Councilmember Daniel Dromm; Carlos Encarnacion; City Councilmember James Gennaro; Joanne Georgiades; Nelly Giraldo; Jamell Henderson; Hotel Trades Council; Patrick Houston; Harry Johnson; City Councilmember Ben Kallos; City Councilmember Mark Levin; Cecelia Lewis; Jose Luna; Lystra Martin; City Councilmember Francisco Moya; Alice Nascimento; New York Communities for Change; Cynthia Norris; Biviana Pereira; Jacqueline Phillips; Marie Pierre; City Councilmember Keith Powers; Pratt Center; City Councilmember Antonio Reynoso; Queens Borough President Donovan Richards; City Councilmember Kevin Riley; City Councilmember Carlina Rivera; City Councilmember Helen Rosenthal; Betel Serra; Emily Solar; City Councilmember Mark Treyger; City Councilmember Jimmy Van Bramer; Bronx Community Board 1; Bronx Community Board 9; Bronx Community Board 10; Bronx Community Board 12; Brooklyn Community Board 1; Brooklyn Community Board 2; Brooklyn Community Board 3; Brooklyn Community Board 6; Brooklyn Community Board 10; Brooklyn Community Board 13; Brooklyn Community Board 15; Manhattan Community Board 1; Manhattan Community Board 3; Manhattan Community Board 4; Manhattan Community Board 9; Manhattan Community Board 10; Manhattan Community Board 11; Manhattan Community Board 12; Queens Community Board 4; Queens Community Board 5; Queens Community Board 6; Queens Community Board 8; Queens Community Board 9; Queens Community Board 10; Queens Community Board 11; Queens Community Board 12; Queens Community Board 13

### Comments on the Proposed Action

#### Proposed Action

- c.1 **The text amendment should require that a hotel Special Permit not supersede the requirement for any other Special Permit that may otherwise be applicable. (MN CB2) The approval format, requirements, and definitions of findings of all existing Hotel Special Permits should remain in place, because the current Hotel Special Permit requirements are stronger and more context specific than the vague requirements of the proposed text amendment. (MN CB5; QN CB1)**

*Response:* The existing special permits related to hotel development have a variety of findings, considerations, and applicability. Consequently, the current zoning for regulating hotel development citywide is inconsistent, resulting in a framework that establishes different standards for new hotels in different locations without a unified objective for hotel

development citywide. A more uniform zoning framework for all new hotels citywide can support more predictable development and limit the extent to which a hotel use may impair the future use or development of the surrounding area. The proposal aims to create a consistent and predictable regime for new hotels. The New York City Department of City Planning (DCP) believes that the proposed general finding is appropriate citywide. The exception is the special permit in M1 districts, which has additional findings that were recently adopted and intended to address issues unique to industrial areas. Those findings are retained in the current proposal.

- c.2 If there is a deficit in hotel rooms, it is not caused by a special permit or even strictly land use challenges. Rather, any deficit would be the result of the interplay between hotel development, operations, market forces, and financing. The revenue per available room, an indicator of the industry’s wellbeing, was dropping before the pandemic, and that is putting job quality at risk. Addressing the situation requires a different set of tools beyond land use. (Pratt Center)**

*Response:* The potential deficit is a result of many factors, with the proposed Special Permit one of them. A special permit adds time, uncertainty, and additional financial costs to projects, which DCP believes may result in fewer hotels being built in the With-Action scenario. However, DCP is proposing this Special Permit to address land use conflicts that have arisen from unchecked hotel growth prior to the COVID-19 Pandemic that are expected to resume under the No-Action condition upon economic recovery.

- c.3 The idea that the transient nature of hotels changes the residential character of some neighborhoods is subjective. Is there an official study that supports this claim? The proposed exemption of utilized hotels for a public purpose (housing homeless) would likely change the character of some neighborhoods. It would likely have a more negative impact on the neighborhood than a commercial hotel, yet the proposal does nothing to address this issue. (LWHA)**

*Response:* As shared in the EIS and NYC Hotel Market Analysis (see [Appendix B](#)), the City has experienced rapid growth in new hotel development, accounting for an increase in new rooms of over 70 percent since 2007 and over 40 percent since 2015. The rapid growth of hotels across the city, especially in locations that had not historically experienced much hotel development, has raised concerns in communities and led to calls for better review of development to address conflicts and potential nuisances.

Since fewer new commercial hotels are expected over time as a result of the Proposed Action, there would be less of an incentive, not more, for commercial hotels to contract with the city or other providers to provide emergency shelter. Moreover, the exemption does not create a loophole for either shelters or hotels, since new as-of-right shelters would be required to obtain a Special Permit if they choose to convert to a commercial hotel at a later date. Separating the process that regulates commercial hotels from the siting of shelters would result in purpose-built facilities for shelters in better locations, less distorted by the locational preferences of commercial hotels. The exemption retains the as-of-right option for Use Group (UG) 5 transient accommodations, along with UG3 community facilities and UG2 apartments, to maintain flexibility for the city and nonprofit providers of emergency shelter to most efficiently, affordably, and appropriately shelter a population with very diverse needs, pursuant to law that requires the city to provide shelter.

- c.4 The proposed 6-year period to continue approved permits is in excess of the usual 2-year term, as was described by DCP. Given the pandemic, CB3 strongly advocates for a 3-year term from the date of adoption for developers to implement their current projects. Although there are limited sites in CB3 for as-of-right new hotel development, hotel use and the related activities—such as restaurants, bars, parking,**

**and rubbish removal—are of great concern to residential blocks within CB3. Alternate uses for hotels must be carefully evaluated. Our commercial corridors already accommodate several hotels, and there are at least two new hotels in progress at this time. A 3-year limit for hotels to be developed without a requirement for community input is sufficient. A 6-year term could result in a rush to file additional hotel development plans that have not yet already been initiated. (BK CB3)**

*Response:* The six-year provision allowing for hotel developers who have vested projects to be constructed would not create a rush for new hotel development plans, as projects filed after referral would not be vested, and would not be covered by the provision allowing vested projects to continue construction. All proposed hotels that are not vested would be subject to community input upon approval of the Proposed Action. A 3-year provision would severely limit vested hotels' ability to finance and construct, and therefore does not meet the goals of the Recovery Provisions, as discussed in [Chapter 1, Project Description](#).

- c.5 There should be a provision included in the text amendment restricting conversions of hotels to any alternative type of use. If the hotel is sold, the new owner must adhere to the same conditions as the previous owner. (BX CB1) A process should be developed to give the Hotel Owner/Operators options to accept and/or convert to temporary housing for the homeless if the hotel business model fails in the future. There should be incentives offered to look at other building uses to convert to. Also, input from community and local elected officials should be required in the process. (QN CB10)**

*Response:* The proposed Special Permit would require any hotel development, including conversions, to go through ULURP, which includes time for public review by the community board and local officials.

- c.6 The review process for new Special Permits for hotel developments should include detailed design guidelines for hotel developments proposed on commercially zoned properties that are adjoining and/or abutting surrounding Residential Zoning Districts, especially those districts that only permit 1, 2, or 3 family residences. Guideline requirements must incorporate conditions and safeguards to minimize adverse effects on the character of the surrounding area through more stringent controls on hotel design, height, and setbacks from the surrounding residential areas. Other design features of future hotel developments that should be addressed to ensure that such development does not negatively affect the adjoining surrounding residential areas should include: the location of all building entrances, landscaping at property lines adjacent to the surrounding residential areas, controls on night lighting, locations of required parking, and access to the parking areas. (QN CB10)**

*Response:* The Proposed Action does not include design controls and is not intended to entail design review of proposed projects. The proposed Special Permit's findings are intended to ensure that a new hotel does not impair future uses in the surrounding area, and thus may examine such features of the proposal as access and egress with respect to neighboring activities, as appropriate as part of the Special Permit review and approval process. Since the publication of the DEIS, additional findings have been added that would address potential conflicts from access to the building and service areas, as well as potential congestion issues (see [Appendix A](#)).

- c.7 The Exclusion in Section 32-02 (b) (1), pertaining to transient hotels operated exclusively for the public purpose of temporary housing assistance by the City or State of New York, or operated by a non-governmental entity pursuant to an active contract**

**or other written agreement with an agency of the City or State specifying such public purpose, should be eliminated from this proposed text amendment. To site transient hotels (UG5) in residential districts, and in the C1-1 to C1-4 districts where they are not permitted as-of-right, is a disservice to the public review process and the regulations governing land use. (QN CB5; BK CB10; BK CB11; QN CB4) The current common practice of using hotels for emergency congregant housing has resulted in mistrust from community members. (BK CB14) If it's the City's goal to remove the homeless from commercial hotels, then why are such uses excluded from the proposal? If a major concern is that the actual development/structure conflicts with the surrounding area, then why does changing its use or guest make it acceptable? (LWHA)**

*Response:* See response to Comment C.3

- C.8 A provision should be added to the text amendment that relevant community boards and the borough president be informed of any potential use of transient hotels for public purposes, and any such public purpose use must have complementary services available and in place to assure that the use does not become an imposition on the host community. (Richards)**

*Response:* See response to Comment C.3. The Proposed Action does not regulate the siting of shelters and temporary housing; therefore, this comment is beyond the scope of the EIS.

- C.9 Should the CPC grant a Special Permit for the expansion or development of a hotel, motel, tourist cabin, or bootel, the expansion or development of the site in question would not necessarily preclude its future use as a temporary shelter under contract with the NYC Department of Homeless Services. (BX CB3; MN CB4). DCP should consider different regulations for hotels with and without kitchen amenities that would make it easier to convert to shelters. (QN CB1) Hotels should not be turned into transitional housing; I would prefer to see a permit for this kind of use. This is because I don't want to see more temporary housing for the homeless, I want to see permanent supportive housing, run by nonprofits rather than by for-profits. I would support hotels being converted into permanent supportive housing run by nonprofits, but hotels converted to use for transitional housing I would like to see included in the Special Permit. (Brewer) City Hall and the City Council should authorize the appropriate City agency or agencies to establish and implement policies and procedures to consider the financial feasibility of hotel projects in connection with the Special Permit process, ensure a detailed and thorough analysis of socioeconomic impacts associated with hotel development, and require a review that includes community board input for any conversion of a hotel development according to the Special Permit process. (MN CB12)**

*Response:* See response to C.3 above. The purpose of the Special Permit is to reduce the pace at which hotels are developed and to ensure site specific review of the context in which each proposed hotel is developed to ensure that development does not introduce conflicts or otherwise impair the future use and development of the surrounding area. It is not within the scope of the Special Permit to evaluate the financial feasibility of proposed projects. Furthermore, if a Special Permit is sought, the proposed project would be subject to CEQR review, and potential socioeconomic impacts associated with the development would be examined, if warranted.

- C.10 The speed with which community boards are being asked to weigh in on this proposal does not allow for an assessment of other potential land uses in the zones where hotels would become as-of-right, the economic impacts on the community, or**



**neighborhood impacts associated with ancillary hotel businesses such as restaurants or hotel bars. Our board remains unclear as to how extended continuance, i.e., vacancy or conversion, will be defined and what “uses” are permissible for up to 6 years from date of adoption. We recommend that this proposal be delayed until late October 2021 to ensure that these questions and concerns are considered. (BK CB14)**

*Response:* The EIS includes an examination of the potential impacts to the hotel and tourism industries, including direct and indirect economic effects, and visitor spending implications (see **Chapter 3, Socioeconomic Conditions**). Under the Proposed Action, there would no longer be hotel development as-of-right in New York City under zoning. Any use allowed under current zoning, except for hotels, would be possible for conversion during the six years of extended discontinuance and allowed to convert back to hotels six years from the date of adoption.

- c.11 This change should not be made before the effects of the pandemic on the tourism industry specifically, and the City in general, are better understood. We are concerned that introduction of regulation(s) in this particular area of the economy might decrease demand (due to higher costs), stymie job growth, stifle competition, and hinder economic recovery. (BK CB 14; MN CB2; MN CB3; Kaufman) The DEIS states that the proposed Special Permit would deter development and decrease the feasibility of future hotel projects. Given the current struggles in the hospitality industry, is the unstated reason for the proposal to protect existing hotel owners/workers at the expense of developers (i.e., protectionism)? Is that a reasonable basis for a zoning resolution? (LWHA)**

*Response:* The Proposed Action includes “Recovery Provisions” intended to offset the impacts of the pandemic on hotel room inventory and return this inventory to a 2019 baseline, a point in time when the Citywide Hotels Special Permit was first proposed. The Recovery Provisions include vesting and exclusion provisions to allow for post pandemic recovery of the industry. The purpose of the Proposed Action is to reduce the pace at which hotels are developed and to ensure site specific review of the context in which each proposed hotel is developed to ensure that development does not introduce conflicts or otherwise impair the future use and development of the surrounding area.

## Purpose and Need

- c.12 CPC has not made a convincing case for the need for a Special Permit for all future New York City hotels. DCP has not explained why a Special Permit requirement (as opposed targeted text changes) is the best tool available to address any potential impacts from a hotel development. (MN CB7) There is no reasoned land use rationale for this proposal, nor is there evidence to support a problem with the development of hotels in the city. The absurdity of the land use approach here is conclusively demonstrated by existing conditions in neighborhoods where there are already heavy concentrations of, and high demand for, hotel rooms: Times Square, the theater subdistrict, lower Manhattan, Flushing, Jamaica, Downtown Brooklyn, and Long Island City. It’s hard to imagine more appropriate places for hotels. So why have a Special Permit? It does not serve a legitimate planning purpose and should not be enacted. (REBNY) The study identifies as major concerns the relationship of new hotel development to an area’s context and conflicts with adjacent uses. However, the Special Permit would apply in primarily dense commercial areas. It’s unreasonable to assume, without evidence, that hotels would conflict with these areas. If anything, hotels support commercial activity. (LWHA)**

*Response:* While some may not support or agree with the land use rationale, hotels are a unique use with characteristics of both residential uses and commercial uses. While hotels may be appropriate and desired in districts that are residential, commercial, or light industrial in character, when they are developed at the pace and in the varied contexts that they have been developed in recent years, a hotel development can conflict with adjacent uses or affect future development of a surrounding area in ways that are undesirable. Site-specific review would ensure that development does not introduce conflicts or otherwise impair the future use and development of the surrounding area.

DCP considers hotel use to be unique. As-of-right development and use flexibility are important to the city's capacity to provide enough housing and space for a wide range of uses to meet its needs. At the same time, certain uses in the Zoning Resolution do require special permits. Requiring discretionary review for a use involves a tradeoff between the benefits of reviewing individual projects and the potential for less space to be supplied or supplied less quickly. This proposal suggests that unique characteristics of transient accommodations, which have some characteristics of residential use and some of commercial use, warrant review of individual projects in a way that would not be necessary or appropriate for other uses.

DCP agrees that hotels are generally appropriate within the City's major business districts, which support a diverse mix of commercial and residential uses. The FEIS analyzed the exclusion of four business district geographies from the proposal: Midtown, Hudson Yards, Lower Manhattan, and Downtown Brooklyn. As noted in **Chapter 6, Alternatives**, 20 percent of the City's existing hotel inventory and 19 percent of the vested pipeline are already located within these geographies. Since the Geographic Exclusion Alternative has the potential to further concentrate new hotel development in these limited geographies, it would create an incentive for an irrational and more concentrated distribution of hotels in a more limited geography. A smaller subset of neighborhoods in the city would absorb a disproportionate share of the demand for new hotel rooms, and the limited as-of-right allowance would create an artificial incentive for hotels to locate on less optimal sites. Consistent regulations citywide would avoid this incentive for irrational distribution of new hotels.

**C.13 What are examples of "conflicts" and "nuisances" caused by hotels? If the immediate area is lacking related services, amenities, etc., how much time are tourists spending in the immediate area? It is likely not much. But if tourists are spending time in these communities, they are likely contributing economic activity. The existing zoning and planning regulations should determine the area's permitted uses, not subjective policy and planning. If these areas are not safe for hotel guests, then how are they safe for area residents or other businesses? (LWHA)**

*Response:* As described in **Chapter 1, Project Description** of the EIS, the City has experienced rapid growth in new hotel development, accounting for an increase in new rooms of over 70 percent since 2007 and over 40 percent since 2015. Until the COVID-19 pandemic brought most new construction to a halt in March 2020, new hotels were outpacing other types of non-residential development in some parts of the city—in some instances introducing conflicts with adjacent uses and influencing development patterns in unanticipated ways. The rapid growth of hotels across the city, especially in locations that had not historically experienced much hotel development, has raised concerns in communities and led to calls for better review of hotel development to address conflicts and potential nuisances. Although hotels may be appropriate and desirable uses in the city's commercial, mixed-use, and light manufacturing districts, they are not desirable in all locations. Reviewing an individual project's relationship to area context will result in better configuration of the use to minimize potential conflicts with adjacent uses and protect the safety of hotel guests. Additional findings have been added to include addressing potential conflicts from access to the building and service areas, as well as potential congestion issues (see **Appendix A**).

- c.14 Given that the presence of services, amenities, the office and commercial markets, and existing critical mass of hotels are important factors for hotel developers, it can be reasonably assumed that the majority of new hotel development would occur in areas that contain such, and therefore would not conflict with the surrounding area. (LWHA)**

*Response:* There has been rapid growth of the hotel industry, not just in central business districts but throughout the city, leading to calls from communities and elected officials to better regulate the development of hotels. Some recent hotel development, particularly over the past decade, is occurring in residential neighborhoods that are also transit accessible—including Harlem, Sunset Park, Bay Ridge, Williamsburg, Gowanus/Park Slope, and Astoria. Furthermore, the rapid pace of new hotel development has introduced new activity that may affect neighborhood conditions in unexpected ways by creating conflicts with existing businesses or altering the economic character of commercial districts, including central business districts. The Special Permit would allow the CPC the ability to review each hotel in its surrounding context to ensure that no serious conflicts would result.

- c.15 Would other potential uses that are developed in place of hotels not a conflict as well? Has this been studied? How are hotels more of a conflict, or a different conflict than other commercial uses? By some estimates, a 100,000-sf office building houses approximately the same number of workers as a similarly sized hotel has guests and employees, particularly if the office building has retail tenants. Therefore, other commercial uses are unlikely to be a less intense use than a hotel. Given that the study predicts a reduction in hotel construction, has it considered what developments will be built in place of hotels? Is it not the case that many of the alternative uses would cause the same conflicts that are the purported basis for the Proposed Action? Has the City studied the different impacts of hotels versus other commercial uses? (LWHA) It is arbitrary for the proposed additional review to apply to hotels and not to other as-of-right developments with the potential to have similar negative impacts. (MN CB6)**

*Response:* While hotels are like residential uses in that they primarily contain sleeping accommodations, the transient nature of hotels can change the primarily residential character of some commercially zoned neighborhoods.

An analysis of potential future development on sites that may have otherwise been developed as hotels, absent the Proposed Action, would be speculative; the EIS does not provide analysis of any developments that could occur on an as-of-right basis under future No-Action conditions. Any future developments that would seek discretionary actions in the future would be subject to their own discretionary review and approvals process.

- c.16 Is there any support for the hypothesis that “tourist-serving businesses tend to operate with longer hours and can create additional noise and traffic during evening hours?” Many community businesses operate longer hours—e.g., laundromats, delis, restaurants, bars, etc. These assertions must be supported prior to being utilized as assumptions. (LWHA)**

*Response:* The Special Permit is intended to address the land use conflicts related to a proposed hotel development’s potential to impair the future use and development of the surrounding area. The CPC may consider conditions that could affect future land use conditions, such as the configuration of the use on the zoning lot, the location of amenities, and access or egress. These conditions would be considered irrespective of the hotel’s hours of operation.

- c.17 One stated premise for the text amendment is to create a more uniform zoning framework for new hotels citywide that can support more predictable development. However, this proposal does the opposite; instead, it institutes an ad hoc process**

**where every action would be subject to uncertainty and unpredictability, and almost certainly result in heavily discretionary and non-uniform development. This is made plain by the draft EIS itself, which states that obtaining a special permit can add significant time, cost, and uncertainty to a project. If the Commission wants a framework for uniform and predictable hotel development, they should conduct a study of the city and determine the best framework for uniform and predictable hotel development—preferably in the context of a comprehensive citywide plan—instead of regressing to an ad hoc system. (Regional Plan Association)**

*Response:* The City has experienced rapid growth in new hotel development, accounting for an increase in new rooms of over 70 percent since 2007 and over 40 percent since 2015. The rapid growth of hotels across the city, especially in locations that had not historically experienced much hotel development, has raised concerns in communities and led to calls for better review of development to address conflicts and potential nuisances. A CPC Special Permit would create a framework for predictable hotel development. Furthermore, the proposed Special Permit would create a consistent zoning framework for new hotels by reducing the inconsistent zoning framework that currently exists in the form of many different CPC special permits for new hotel development across the City.

- c.18 If hotels conflict with an area, then why have they historically been allowed as-of-right? If CPC is concerned with use and conflict, then why would existing hotels not be reviewed under the proposed Special Permit process? (LWHA)**

*Response:* This proposal does not suggest that hotels are categorically inappropriate in the districts where they are permitted today; however, context-specific considerations may influence the determination as to whether a hotel is appropriate in a specific location. As is typical of proposed text amendments, the Proposed Action is forward-looking and applies to new hotels. It does not seek to require existing hotels to cease operating.

## Findings

- c.19 This process will eliminate any as-of right hotel development within the City. We question the legality of preventing a permitted use. This is an onerous, very expensive, and time-consuming process that will deter hotel development. Each Special Permit process will cost the developer hundreds of thousands of dollars and take approximately two years to complete. (QN CB7; MN CB7) Additionally, the proposed review process would create opportunity for outside forces to influence “appropriate” projects. The proposal does not explain or define what “appropriate locations” for hotels are or what “reasonable considerations” will be applied to proposed projects. This process is at best unclear and undefined, and it requires significant study to ensure that fairness and reasonable decision-making would be part of it. Passing such a statute with so many undefined parameters will likely deter developers from pursuing new hotel projects in the future. (LWHA)**

*Response:* This citywide proposal would not prohibit hotels but would make them subject to the CPC Special Permit requirement. Since 2010 there has been a rapid increase in hotel inventory throughout New York City. Careful review of new hotel development provides an opportunity to review development within the surrounding context of the varied neighborhoods where hotels are allowed. As part of a Special Permit review, The CPC would consider the proposed location for new hotels and the potential for land use conflicts that could be created by any new hotel. It would review the proposed project to ensure that adjacencies would not compromise the safety of the hotel’s operation or that of surrounding activities. As part of the Special Permit, the CPC would have the ability to impose conditions or limitations to avoid serious conflicts. Additional findings that address potential conflicts

from access to the building and service areas, as well as potential congestion issues, have been added to provide more specificity (see [Appendix A](#)).

**c.20 An assessment of critical impacts related to context, pedestrian and vehicular circulation, and hotel operations should be defined. (QN CB1; MN CB4)**

*Response:* Additional findings were considered and added to the proposed zoning text between the Draft and Final EIS to address potential conflicts, which include pedestrian and vehicle circulation and hotel operations (see [Appendix A](#)).

**c.21 The proposed amendment fails to include any specific findings and/or criteria related to how CPC would determine if a hotel use was appropriate or not, including no mention of potential impacts from logistical operations, even though the proposed Special Permit states CPC's evaluation would be "based on a set of criteria." (MN CB7) The text amendment should include language that allows the Planning Commission to prescribe appropriate additional conditions—similar to the Conditions and Safeguards provision from ZR 74-21—for example: limitations on eating and drinking establishments, based on their impact on residential uses in the area. (MN CB2)**

*Response:* The Citywide Hotels Special Permit is intended to address the land use concerns of commercial hotels. Additional findings have been added to address potential conflicts from access to the building and service areas, as well as potential congestion issues (see [Appendix A](#)).

**c.22 The Special Permit finding should require that the site plan incorporate elements that are necessary to address any potential conflicts between the proposed use and adjacent uses, such as the location of the proposed access to the building, the building's orientation and landscaping, and internal storage space for trash and linen deliveries. (MN CB4)**

*Response:* Additional findings were considered and added to address potential conflicts. These findings include location of proposed access to the building and service areas and that the hotel use will not cause undue congestion on local streets (see [Appendix A](#)).

**c.23 In the event that this text amendment passes, an additional finding should be added. This finding should state that the new hotel protects a harmonious balance of uses consistent with the character of historic districts, so that a new hotel does not contribute to an undue concentration within a 500-foot radius of the proposed location. In the past ten years, in areas of commercial zoning, there has been such a rapid concentration of new hotels, that these areas are at risk of losing their historic neighborhood character. (MN CB2; MN CB4)**

*Response:* Underlying bulk and historic district regulations will apply in all locations where the Special Permit applies. The CPC would consider the proposed hotel use and its potential to affect the future use and development of the surrounding area. This would allow the CPC, where appropriate, to consider the historic nature of the surrounding area.

**c.24 Community input is a by-product: If the community approves a project and HTC cannot obtain a contract, the application will be held up and/or die at City Council, where HTC has overwhelming Member support. If the Community has site objections but HTC secures a contract, the project moves forward without further objection. (QN CB7)**

*Response:* Comment noted. The proposed Special Permit would be subject to the same processes as applies to other special permits.

## Analytical Framework

- c.25 Given that the benchmark for an “inactive” project is that there has been no action within three years and considering COVID-19 changed the hotel and tourism industries, these new supply assumptions are weak at best. As these assumptions are integral to the study’s findings, they should be reviewed and adjusted at a later date. (LWHA)**

*Response:* The pipeline assumptions were revisited for the FEIS, and the pipeline was found to be largely the same as presented in the DEIS (see **Chapter 1, Project Description**). After 3 years of inactivity with the Department of Buildings (DOB), it is unlikely for a project to move forward. While it is correct that the market for hotel development has been drastically affected by COVID-19, and not all projects in the pipeline will be constructed, the DEIS was conservative in its assumptions. The RWCDs very conservatively assumes that only 75 percent of January 2020 hotel supply will remain in the inventory post-pandemic, especially given that the June 2021 inventory has surpassed these estimates. Furthermore, the EIS does not assume that all hotel rooms in the pipeline will vest. These assumptions are based on an analysis of historic trends of typical development time frames and land use actions including new hotels.

- c.26 Under the No-Action condition, 2035 hotel supply and demand are anticipated to be equal at 177,730. This assumes an occupancy rate of 100%, which is not a reasonable projection. Either the total demand or supply figure is off or misrepresented. It’s too early to know how the pandemic has changed business travel and lodging patterns. The assumption that growth rates will return to pre-COVID-19 levels may be overestimating future trends. It would be prudent to analyze market conditions following industry recovery. (LWHA)**

*Response:* The 2035 equilibrium supply and demand under the No-Action condition assumes each borough’s occupancy rate will return not to 100 percent, but to its pre-Pandemic, 2019 level (e.g., 81.4 percent in the Bronx, 87.3 percent in Manhattan, and so forth) by 2025, as shown in the Market Study (see **Appendix B**). While it is too early to anticipate long-term changes in hotel demand, the industry does anticipate a full recovery to 2019 levels by 2025—encompassing factors such as room demand, ADRs, occupancy rates, and RevPAR.

- c.27 The DEIS utilizes the precedent of the M1 hotel text amendment to justify the citywide proposal. Yet, as it was noted in the M1 text amendment EIS, that amendment was predicated on continuing as-of-right hotel development in commercial and mixed-use districts throughout the city. Indeed, what may be most troubling about treating the M1 hotel text amendment as precedent is that not a single hotel room has been constructed or even approved in the years since it was enacted. If the M1 Special Permit is the relevant precedent here, the proposed text change has the potential to be exponentially more damaging to the city’s economy and its job market than we’d have been led to expect. (REBNY) The most recent and comparable CPC Special Permit relating to hotels resulted in no new hotel development. The city’s assumption that hotel development would nevertheless continue under the proposal is not supported. Based on the M1 CPC Special Permit precedent, it would be a more supported assumption to assume that little to no additional hotel rooms would come to market. (LWHA)**

*Response:* In the past decade, approximately 4,210 hotel rooms have been facilitated through non-discretionary actions, such as City Planning Commission Chair Certifications, and it is assumed that in the future with the Proposed Action, the equivalent number of rooms would apply for and receive the new Special Permit between 2025 and 2035. It is too soon to assess

the effects of the M1 Hotel Special Permit given that it was enacted in December of 2018 and projects that were in the pipeline have at least until the Fall of 2021 to complete construction. Furthermore, the pandemic has drastically affected the market for new hotels. The EIS indicates that there would be fewer hotels due to the Proposed Action. The Special Permit would ensure that those hotels that do get built would result in fewer conflicts and be more compatible with surrounding uses. There have been recent applications for the M1 Special Permit, with the expectation that hotel Special Permits will be seen as worthwhile as demand increases, leading to more applications.

**c.28 Hotels not only generate economic and social benefits, but also have the flexibility and potential to be converted to other uses that can accommodate future needs and government policy. How will converting existing hotels into permanent housing impact future hotel supply and demand? Has this been studied and incorporated into the DEIS projections? (LWHA)**

*Response:* The Housing Our Neighbors with Dignity Act (HONDA), a bill introduced by Senator Giannaris in March, was signed to law on August 16, 2021, and allows the state to finance the acquisition and/or conversion of distressed properties and convert them for low-income housing. The New York State Fiscal Year 2022 budget included \$100 million for adaptive reuse of commercial and hotel properties located in New York City to create permanent affordable housing under the Adaptive Reuse Affordable Housing Program.<sup>1</sup> It is not expected that this program would change the RWCDs as provided in the EIS, which makes conservative assumptions about hotel supply. The discussion of the Adaptive Reuse Affordable Housing Program was updated in the FEIS **Chapter 2, Land Use, Zoning, and Public Policy** to include a discussion of HONDA.

**c.29 The assumption that hotels will continue to locate in a pattern similar to that of the past 10 years disregards market fundamentals, the concept of supply and demand, land scarcity, the feasibility and cost of projects, and the current trend of development away from saturated areas. This projection also undermines the putative basis for the Special Permit—if hotels will primarily locate in established hotel districts, what is the basis for believing hotels need to be constrained from causing conflicts in neighborhoods that are more residential in nature? (LWHA)**

*Response:* Assumptions on where hotels would be located in the No-Action condition are based on a weighted average of the existing inventory and the hotel pipeline, taking into account current trends of development. While the boroughs outside Manhattan have seen exponential growth in hotel inventory over the past 15 years, review of existing conditions and market analysis, in addition to evaluation of pipeline inventory, shows that hotel developers still prefer that hotels be located near transit and amenities. Areas of the city that are not accessible to transit and/or lack amenities are not economically viable for hotel development. As discussed under the response to C.14 above, some recent hotel development, particularly over the past decade, is occurring in residential neighborhoods that are also transit accessible—including Harlem, Sunset Park, Bay Ridge, Williamsburg, Gowanus/Park Slope, and Astoria. Addressing the need to reduce conflicts between land uses in these primarily residential neighborhoods is part of what the Proposed Action is attempting to address, in addition to conflicts in central business districts.

**c.30 Feasibility of new hotel development in New York City has been decreasing over the past several years, so assuming that new hotel development would continue at pace with historical trends is not realistic. Utilizing historical supply growth rates when hotel feasibility continues to decline will overestimate future supply projections. Hotel**

<sup>1</sup> <https://www.budget.ny.gov/pubs/press/2021/fy22-enacted-budget-highlights.html>

**projects were already being abandoned or repurposed due to financing difficulties prior to COVID-19, so the analysis assumptions demonstrate a lack of consideration of the current situation and economic feasibility principles. (LWHA)**

*Response:* Over the past 10 years, the supply of hotels in New York City had experienced tremendous growth as a response to strong and growing demand. Due to the time it takes to add hotel supply to the market (development and construction of hotels can take several years), there is often a lag in supply and price adjustments which keep the market in equilibrium. The recent supply slowdown was in response to the heightened supply push in prior years. The analysis uses a multi-year average demand growth rate—the basis for supply assumptions—to smooth shorter-term market observations.

In terms of overall long-term demand, the pandemic had a big impact on the city's tourism industry, and the analysis in the DEIS was based on the best available information at the time. Even in a pre-pandemic environment, however, there was some uncertainty around what the future would hold. For this reason, DCP made the conservative assumption, as is required, that visitation will return to pre-COVID levels over time. Recent information on visitation and hotel occupancy indicates that New York City's recovery may be better than anticipated, indicating that the EIS assumptions were also reasonable. The FEIS has been updated to include this information (see [Chapter 1, Project Description](#) and [Chapter 3, Socioeconomic Conditions](#)). As of June 30, 2021, a net total of six hotels (out of the January 2020 count of 705 hotels) were closed and a net total of 5,991 rooms were closed, which represented an almost five percent decline in hotel rooms from the pre-COVID-19 pandemic January 2020 supply. The citywide occupancy rate in June 2021 was 62.7 percent. Although this is much lower than the 83 percent average occupancy that existed prior to the pandemic, it is a vast improvement over the 40 percent occupancy rate in September 2020. The city's hotel market assessment has been updated as of June 2021 and can be found in the appendix of the NYC Hotel Market Analysis located in [Appendix B](#) of the FEIS. This report was updated in the FEIS based on new information, including industry insights and analyst's projections on the recovery of leisure and business travel. However, it is worth noting that business travel comprised only 21 percent of total visitation prior to the pandemic and that analysis must still be based on reasonable and conservative assumptions in order to understand the potential impacts of the proposal.

## Land Use, Zoning, and Public Policy

- c.31 This text amendment would hamper our post-pandemic recovery and much-needed job growth—particularly for hubs like Downtown Brooklyn, which is the city's third-largest central business district. As the civic and economic center of the borough, Downtown Brooklyn serves a diverse range of residents, workers, shoppers, visitors, and students. This existing context, bolstered by our excellent transit connectivity, makes Downtown Brooklyn the ideal location for new hotel development. The Proposed Action conflicts with city and state economic policies that call for additional mixed-use growth at this location. (Downtown Brooklyn Partnership)**

*Response:* The FEIS has been updated to include an alternative that examines the exclusion of a number of geographies, including Downtown Brooklyn, from the area of applicability. As discussed in [Chapter 6, Alternatives](#), this Geographic Exclusion Alternative would partially mitigate the adverse socioeconomic impacts to the hotel and tourism industries. However, the purpose of the proposed Special Permit is to ensure that hotels are developed on appropriate sites. The Geographic Exclusion Alternative has the potential to further concentrate new hotel development in several limited geographies, creating an incentive for an irrational and more concentrated distribution of hotels in a more limited geography. A smaller share of development sites in the city would absorb a disproportionate share of the demand for new hotel rooms and create an artificial incentive for hotels to locate on less optimal sites. Consistent regulations citywide would result in less distorted siting of hotels.



Further, it is possible that excluding these districts could result in displacement and impacts in other analysis areas due to induced development that are too speculative to measure. Excluding Downtown Brooklyn would therefore be inconsistent with the proposal's purpose and need.

- c.32 The assumption that the Proposed Action would not hinder the goals of relevant public policies, and that there would be no adverse impacts, is false. As the study states, there would be negative effects to employment, wages, and spending—especially to tourism and tourism-adjacent industries, which account for a significant portion of New York City's general economy and therefore would result in less tax revenue. (LWHA) The tourism and hotel industries directly support several OneNYC 2050 goals. Because the proposed amendment will impede the tourism and hospitality industry, it directly undermines the City's stated goals under OneNYC 2050. (LWHA)**

*Response:* The EIS Socioeconomic Conditions analysis on effects to specific industries analyzed effects on the hotel industry as well as secondary industries that are linked through tourist spending. Assessment of fiscal or economic impacts is outside the scope of CEQR. Further, it is not possible to assess the impacts to taxes when the location and characteristics of the development are unknown, and a parcel could be developed with an as-of-right use generating tax revenues.

An analysis of OneNYC 2050 is provided in **Chapter 2, Land Use, Zoning and Public Policy**. Although the Proposed Action would slow the growth of jobs in the hotel and tourism industries, it would not affect existing hotels or the businesses that serve the City's visitors. The destinations and anchor institutions within the City will continue to draw visitors and generate visitation, economic activity, and jobs. The Proposed Action would hinder the hotel and tourism industries' ability to grow but would not adversely impact overall job growth in the city or the sectors that the plan specifically calls out (tech, green jobs, health care, industrial, and creative industries). The Proposed Action would allow for public review of hotel development, which would allow for placed-based input. Therefore, the Proposed Action would not conflict with the Thriving Neighborhoods and Inclusive Economy initiatives of OneNYC.

## Socioeconomic Conditions

- c.33 This amendment would make hotels more expensive, encouraging tourists to use cheaper hotels outside the City. What's worse is that it has the potential to encourage increased AirBnB usage, which has proved harmful to affordable housing in the city. (MN CB2; MN CB3; MN CB7; Kaufman) It's projected that one-third of displaced travelers would cancel their plans to visit New York City entirely. Given that short-term rentals are generally illegal, and friends and family accommodation would be realistically limited, it's not clear what non-hotel accommodations would be utilized by one-third of displaced travelers. If those include AirBnB or other short-term rentals, does that have the potential of negatively impacting housing prices and threatening other critical city policy areas? It's projected that one-third of travelers would stay outside the city. This results in less spending and tax dollars for the city, with more for surrounding areas. Who cannot travel to the city as a result? Is it less advantaged people? Does this policy effectively ensure that less-well-off travelers will not have an opportunity to enjoy the city and its attractions? Is that at odds with the city's policies with respect to equity? (LWHA)**

*Response:* The EIS included an analysis of visitors under the No-Action and With-Action conditions and described the spending conditions under both scenarios (see **Chapter 3,**

**Socioeconomic Conditions**). However, these were aggregated across visitors, and an analysis of the economic profile of potential future visitors is out of scope.

- c.34 The hotel industry has already been negatively impacted due to the COVID-19 pandemic, and this would create another hurdle to its recovery. Recovery will be particularly difficult for those hotels that have been used for temporary shelter or quarantine purposes, even with the text amendment's extended discontinuance. Properties that would have become hotels will instead be developed as homeless shelters, because that will be the only viable as-of-right use. Neighborhoods like Chelsea, Long Island City, and Downtown Brooklyn, where hotels were being built put up shelters instead, and the DEIS does not speak to this issue. (MN CB6; Kaufman)**

*Response:* See response to comment C.3. The City believes that the Proposed Action would separate the process that regulates commercial hotels from the siting of shelters and will result in purpose-built facilities for shelters in better locations, less distorted by the locational preferences of commercial hotels. The regulation of as-of-right development of shelters by the City and nonprofit providers in locations that are suitable for their development is outside the scope of the Proposed Action.

- c.35 The DEIS suggests this text amendment will lead to a deficit in hotel rooms, with tourists and their money being turned away. But this finding is off for at least two reasons: first, the projections of the growth in tourism are overly optimistic. The nature of travel is changing, particularly for business. This is not only because of the pandemic, but because of the surge in remote work that has resulted from it. This has changed the nature of work as we know it, but it's barely mentioned in the DEIS. We have all gained a level of competence and acceptance of the remote experience. So all the variables that go into a judgement about travel, that lead to an individual decision or a corporate travel policy, are being recalculated. In addition, businesses that are committed to environmentally sustainable practices are increasingly limiting their allowance for travel. (Pratt Center)**

*Response:* DCP engaged a socioeconomics consultant team to produce a market analysis of the City's hotel conditions in the past, current, and future context, which is available on the DCP website and in **Appendix B** of the EIS.<sup>2</sup> An update was made to the report between publication of the DEIS and FEIS and can be found in **Appendix B** of the FEIS. Updated information on hotels closures and re-openings has been incorporated into the FEIS in **Chapter 1, Project Description** and **Chapter 3, Socioeconomic Conditions**.

Long-term changes to business travel remain unknown. Business travel historically accounts for 21 percent of NYC hotel room demand and grows at a slower rate than leisure travel. While it is possible some business travel will not return, in-person conferences that are also included in business travel are already returning. Shifting demand to more leisure would provide a more aggressive estimate of room shortages, due to the higher growth rates for NYC leisure travel. In order to provide a more conservative estimate of impacts, this analysis assumes that a recovery to 2019 room demand and beyond grows at historic rates by travel segment.

- c.36 The assumption that there is no potential for direct or indirect residential displacement, or direct or indirect business displacement is unreasonable, given that the City predicts that the Proposed Action will reduce employment, wages, and economic activity. By artificially restricting the development of hotels, it's likely that the feasibility for other, non-hotel uses would increase, resulting in induced**

<sup>2</sup> <https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/citywide-hotel/nyc-hotel-market-analysis.pdf>

**development. Based on the laws of supply and demand, hotel values would likely increase following the proposed action, and would cause upward pressure on rents and values. (LWHA)**

*Response:* The EIS analysis on effects to specific analyzed the unmet demand for hotel rooms and the potential future loss of tourists and the potential shift of tourists away from hotel stays to AirBnBs or friends and family, in addition to a shift to hotel stays in localities near-to, yet outside, of New York City. For each of these scenarios, the EIS considered loss of overnight visitor spending on non-hotel sectors. While the EIS includes this estimate, an analysis of how this shift would affect the housing market, including the supply of affordable housing, would be speculative and could not reasonably be addressed.

**c.37 The hotel industry provides good paying jobs that will be lost under the Proposed Action. (LWHA)**

*Response:* **Chapter 3, Socioeconomic Conditions** of the EIS includes an analysis of the impact to hotel industry jobs and wages. It identifies a significant adverse socioeconomic impact to the hotel industry by creating impediments to market-based growth and expansion of hotels across the five boroughs.

**c.38 In outer boroughs like Queens, the daily room rate cannot be unilaterally raised to support Union demands for higher wages and benefits without the consequence of losing occupancy. (QN CB7)**

*Response:* Comment noted.

**c.39 Less visitor spending affects not only the hotel and tourism industries but the overall economy of the city. These outcomes would adversely impact public policy. The annual forgone direct gross output is projected to be \$5.3 billion. This does not account for any indirect losses. There would be 18,970 fewer direct workers and \$1.3 billion less in direct wages. How would the “adverse impacts to the hotel and tourism industries” impact other sectors of the New York City economy? Has this been studied? (LWHA)**

*Response:* Along with assessing the annual forgone direct gross output, earnings, and employment on the hotel sector, the EIS did assess the annual forgone indirect and induced gross output, earnings, and employment—meaning the impacts to other sectors of the New York City economy (see **Chapter 3, Socioeconomic Conditions**). The indirect and induced impacts consider the Proposed Action’s economic effect on supporting industries and on household spending.

**c.40 At the scoping hearing REBNY asked city planning to study potential impacts to the construction and tourism sectors, but it has not. To get a better idea of the total impact of the text amendment, REBNY commissioned AKRF to do a study, using standard economic modeling techniques and building upon the EIS assumptions. AKRF estimates that, if the text amendment passes, by 2035 New York City will lose over 75,000 permanent job opportunities and forego approximately 9.9 billion in economic activity that would have resulted from non-hotel spending. The city will also lose 23,800 jobs due to the reduction in hotel construction activity and about \$37.8 billion from the loss of construction and from direct, indirect, and related economic activity, including labor income. (REBNY)**

*Response:* The Proposed Action would affect the future development of hotels on unknown sites. It is not possible to assess the impacts to construction jobs when the location and characteristics of the development are unknown. Further, a parcel where a hotel is not constructed would likely be developed with an as-of-right use or other non-hotel use, which would generate other construction jobs.

The EIS did study potential impacts to the tourism industry and states that due to the scale of the lost hotel rooms from the Proposed Action, and the resulting loss in visitors and their associated spending, the Proposed Action would result in a significant adverse impact both to the hotel industry and those sectors that make up the broader tourism industry (see [Chapter 3, Socioeconomic Conditions](#)).

- C.41 The EIS also does not consider the impact of the text amendment on city tax revenues. While it can be argued that fiscal impacts are not part of a CEQR analysis, they are surely relevant for the Commission to consider whether this text amendment reflects sound planning that will promote the health, growth, and vitality of the city. If the text amendment is approved, AKRF estimates that the city would forego over \$8 billion and tax revenues between 2026 and 2035. By 2035, annual recurring costs to the city would be over \$1.2 billion. The text amendment would stifle multiple industries' job revenue as well as growth opportunities to all five boroughs during a pivotal time in New York City's economic history. The socioeconomic impacts in the DEIS and AKRF's further analysis are devastating and do not support the need for the text amendment or the goals of this commission. (REBNY) Given that the potential for the Proposed Action to transcend the hotel and tourism industries, fiscal losses in the form of lost Hotel Room Occupancy Tax, sales taxes related to visitor spending, and other government sources of revenue should be studied. The study must thoroughly analyze the effect of the Proposed Action on all stakeholders. (LWHA)**

*Response:* Assessment of fiscal or economic impacts is outside the scope of CEQR. The EIS Socioeconomic Conditions analysis considered the effect on future economic output, including potential changes to hotel and tourism-related employment, as an indicator of potential impacts on specific industries. In accordance with CEQR, the EIS does not assess purely economic impacts.

- C.42 We've heard from a lot of small businesses, particularly restaurants and bars, that much of their business is from tourists who are patrons of nearby hotels, some of whom visit family or friends living in the Downtown Brooklyn area. The Proposed Action would negatively affect small businesses. (Downtown Brooklyn Partnership)**

*Response:* The EIS assessed the economic impact of the Proposed Action on all affected businesses, regardless of their size (see [Chapter 3, Socioeconomic Conditions](#)). The EIS stated that the Proposed Action would have an adverse impact on the broader tourism industry, including lost overnight visitor spending in the food and beverage, retail, transportation, and arts/entertainment/recreation sectors, all of which include small businesses. Putting aside the impacts of the pandemic on small businesses, the Special Permit would not affect existing hotels and, by extension, current demand for restaurants and bars who benefit from tourism.

- C.43 Based on the study's analysis, the Proposed Action would have negative socioeconomic impacts on the hotel and tourism industries. Given that these industries support many external communities in terms of employment, wages, and economic activity, it's likely that there would be significant indirect impact on residential displacement that could have the potential to change socioeconomic conditions. (LWHA)**

*Response:* See response to comment C.36, C.39, and C.41.

- C.44 The conclusion that the Proposed Action would not have an impact on existing hotels in unsupported. Given the principles of supply and demand and historical precedent, it would be reasonable to assume hotel rates (ADR) would increase under the proposal.**

**Higher ADRs could result in higher property values, less tourist ancillary spending, and/or fewer overnight travelers. The effect on pricing, not only within the hotel and tourism industries but also within other industries, should be studied, given that many industries are interconnected with these. By not studying pricing impacts, the DEIS fails to genuinely portray the effects of the Proposed Action. (LWHA)**

*Response:* The EIS examines current ADR as part of its existing conditions and establishes that there will be a shortage of hotel rooms by 2035 in the With-Action condition (see **Chapter 3, Socioeconomic Conditions**). While a study of projected hotel pricing impacts is outside the scope of CEQR, it is safe to assume that a supply gap in hotel rooms would lead to price increases. The EIS assumes that this hotel shortage (and likely increase in pricing) would lead to a portion of potential overnight visitors' cancelling their plans to visit New York City, while a similarly sized portion of potential overnight visitors would opt to visit New York City during the day but stay in accommodations in nearby jurisdictions outside the city. However, as described in the EIS, it is assumed that this cohort visiting New York City while staying overnight in nearby jurisdictions would still make two-thirds of their non-hotel visitor spending in New York City,

## Neighborhood Character

- C.45 Ironically, regulating hotels so as to not impair neighborhoods will lead to more significant neighborhood impact by bringing in a large homeless population. (Kaufman)**

*Response:* See response to Comment C.8.

- C.46 How do significant adverse socioeconomic impacts not result in significant adverse impacts to neighborhood character? Reduced jobs, wages, spending, etc. would affect a neighborhood's character. If there is increasingly more demand than supply, then hotel rates (ADR) will likely increase, which would potentially result in fewer tourists and/or less spending, which supports many communities. (LWHA)**

*Response:* The *CEQR Technical Manual* defines neighborhood character as an amalgam of the various elements that give neighborhoods their distinct personality. These elements can include land use, socioeconomic conditions, open space, historic and cultural resources, urban design and visual resources, shadows, transportation, and noise, but not all of these elements contribute to neighborhood character in all cases. For neighborhood character, CEQR considers how those elements combine to create the context and feeling of a neighborhood, and how an action would affect that context. The impacts of fewer overnight visitors and resulting spending loss for hotels and the sectors that make up the broader tourism industry (including retail and food and beverage) are addressed elsewhere in the EIS (see **Chapter 3, Socioeconomic Conditions**).

- C.47 The City argues that the Proposed Action is justified because hotels cause "conflicts with adjacent uses and residences," yet the study concedes that "it is not possible to assess whether or not these changes would lead to adverse effects to neighborhood character because the location of future development is unknown." The supposed "conflict" is, at best, entirely speculative. (LWHA)**

*Response:* See response to Comments C.12 and C.13.

## Mitigation

- C.48 Local hotels support corporate travel for a growing number of businesses in our district. Firms like JP Morgan Chase, Blue State, and Slate require places for employees**

**and clients to stay when visiting the city. Hotels within walking district of their Downtown Brooklyn offices meet this demand. Hotel development also complements the needs of the Downtown Brooklyn's academic and cultural institutions. The district is home to nearly a dozen higher-ed institutions that host scholars and industry partners from around the world. For example, NYU's 370 Jay Street includes an incubator space, lab facilities, and recording studio that attracts a global audience of entrepreneurs and innovators. The district is also home to about a dozen incubator and research facilities that have partners with international organizations like Microsoft, which helps to develop new research for students as well as new products that are used by startups district- and citywide. The Brooklyn cultural district, including the Brooklyn Academy of Music, Brick, and the Barclays Center require nearby lodging for visiting artists and tourists. Hotels are vital in our district to support tourism, innovation, commercial and cultural activity, and are in alignment with the character of the area and its central location. We encourage you to oppose the Citywide Hotels Text Amendment for central business districts like Downtown Brooklyn. (Downtown Brooklyn Partnership, REBNY)**

*Response:* See response to Comment C.31

- C.49 DCP and the CPC should implement measures to mitigate the adverse economic impacts identified in the DEIS resulting from the Citywide Hotels Text Amendment. (MN CB12)**

*Response:* The FEIS assessed several potential mitigation measures but concluded that the significant adverse impacts to socioeconomic conditions identified in the FEIS cannot be mitigated without conflicting with the purpose and need for the Proposed Action (see [Chapter 5, Mitigation](#)).

- C.50 DCP should include specific text language that aims at over-concentration of hotel uses in mixed-use areas like Dutch Kills. (QN CB1)**

*Response:* The Proposed Action would require the site-specific review of hotel development citywide, and this review could account for community concerns such as over-concentration and land use conflicts with mixed-use neighborhoods.

- C.51 Proposals for sunset provisions and carve-outs will not help the industry. The justification for carveouts and sunset provisions is predicated on a misdiagnosis of the challenges to the hotel industry. Facilitating development in some areas is not going to address declining RevPAR and might exacerbate the problem by allowing less-capitalized development to move forward. In addition, the proposal for carve-outs conflicts with decades of City policy that encourages tourism, tourist spending, and economic growth beyond the traditional Manhattan tourist districts. In all likelihood, carve-out provisions would lead to a higher standard for hotel development outside of Manhattan, which would exacerbate the disparity in development. {Pratt Center}**

*Response:* Comment noted.