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# SoHo/NoHo Neighborhood Plan Frequently Asked Questions (FAQ)

# **Overview**

# Q. Where are the boundaries of the SoHo/NoHo Neighborhood Plan?

The study area generally encompasses the SoHo and NoHo neighborhoods within Manhattan Community District 2, two iconic neighborhoods that have long histories as mixed-use districts and hubs for commerce, jobs and culture.

The study area is centrally located, highly accessible by transit, adjacent to major institutions such as the Cooper Union and New York University, and surrounded by other mixed-use neighborhoods, including Hudson Square, South Village and Washington Square Village to the west, Union Square South to the north, East Village, Nolita and Little Italy to the east, Tribeca and Chinatown to the south. The majority of the study area overlaps with six designated historic districts, including SoHo Cast Iron Historic District and its extension, NoHo Historic District and its extension, NoHo East Historic District, and a small portion of the Sullivan-Thompson Historic District.

# Q: What is the current zoning in SoHo and NoHo today?

SoHo and NoHo are currently within two <u>light manufacturing zoning districts</u> (M1-5A and M1-5B) that are only found in these neighborhoods. These manufacturing districts were established in 1971 to address the very unique conditions that existed in the neighborhoods at that time. Special regulations were introduced to preserve space for the shrinking textile manufacturing industry while providing a way for artists to legally occupy vacant industrial lofts that had been informally repurposed as live-work spaces.

While the existing M1-5A and M1-5B zoning allows a mix of light industrial and commercial uses, it differs from standard M1-5 districts in various ways, most notably by reserving most ground floors of buildings for industrial uses and allowing other commercial uses, such as retailers and offices, only on upper floors.

The existing zoning does not allow housing but does permit a unique type of live-work arrangement called Joint Living Work Quarters for Artists (JLWQA) as a manufacturing use. These JLWQA spaces allow a limited group of practicing artists, certified by the New York City's Department of Cultural Affairs, to live in the existing loft buildings where they also produce their work.

The size and shape of buildings (aka "bulk") are governed by standard manufacturing district regulations that are not in keeping with the strong and historic character of SoHo and NoHo. For example, the existing zoning contains no height limits, allows towers of unlimited height, and permits buildings that set back from the sidewalk.

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#### Q: Why does the existing zoning need to be updated?

The existing M1-5A and M1-5B zoning, now five-decades old, does not match the current conditions and character of SoHo and NoHo and stands in the way of the needs of the neighborhoods' residents and businesses. For example, the existing zoning restricts appropriate and economically viable uses - such as residential, retail, office, food and beverage - that exist in SoHo and NoHo today and are allowed in other centrally located, similarly transit- and jobs-rich areas. Additionally, it does not require affordable housing and does not have bulk regulations such as contextual zoning that correspond with the characters of the historic districts in SoHo/NoHo.

The outdated zoning should be updated to support and reflect the mixed-use neighborhoods SoHo and NoHo are today, and to advance critical local and citywide goals such as increasing access to housing and supporting economic diversity. These goals are made all the more significant by the challenges posed by the COVID-19 pandemic and critical need for opportunities for housing for all New Yorkers.

#### Q. What are the goals of the SoHo/NoHo neighborhood planning effort and why?

The goals of the SoHo/NoHo Neighborhood Plan reflect the principles and recommendations of the local community during the 2019 Envision SoHo/NoHo engagement process. To summarize, the three principles put forward by Envision SoHo/NoHo are:

- 1. Improve quality of life for residents and workers;
- Encourage neighborhood diversity by strengthening existing protections for residents, promoting artist and maker communities, allowing people to live in SoHo/NoHo without artist certifications, and creating affordable housing and live/work opportunities while respecting neighborhood character; and
- 3. **Promote economic vitality** by preserving and creating more spaces for arts/culture and maker uses, as well as fostering small businesses by reducing regulatory barriers and providing supportive resources.

**Building on these foundational recommendations, the neighborhood plan** would replace the existing 50-year old manufacturing districts (M1-5A and M1-5B) with a new special purpose mixed-use zoning district that **would**:

- Promote housing equity and income diversity in SoHo/NoHo;
- Support economic resiliency and strengthen mixed-use;
- Shape future development to enhance historic character and neighborhood context; and
- Celebrate SoHo/NoHo's evolving role in the arts and the city's creative economy.

# Q. What zoning/land use changes are you proposing?

A zoning proposal is being developed and will be informed by the coming environmental review and land use review processes. Guided by Envision SoHo/NoHo and the neighborhood planning goals noted above, potential components of the proposal include:

# Housing: Promote housing equity and income diversity in SoHo/NoHo

Create opportunities for new housing by rezoning to districts that permit housing as-of-right

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- Require affordable housing through the City's <u>Mandatory Inclusionary Housing (MIH)</u> program for the first time in SoHo and NoHo
- Retain allowance for existing Joint Living Work Quarters for Artist (JLWQA)
- Accommodate and expand live-work to include varied types of live-work modes

# Commercial and light manufacturing: Support economic resiliency and strengthen mixed-use

- Allow uses consistent and compatible with mixed-use districts including retail, office and light manufacturing, and provide flexibility for new modes of business
- Preserve significant concentration of Class B office and creative production space
- Work with agencies and local partners to develop strategies to better manage the public realm

#### Arts and culture: Celebrate SoHo/NoHo's evolving role in the arts and creative economy

• Create a voluntary option to transition existing JLWQA space to residential use, paired with provisions to support arts and culture that broadly benefits the public in and beyond SoHo/NoHo

# Urban Design: Shape future development to enhance historic character and neighborhood context

- Establish appropriate subdistrict rules to recognize the varied built characteristics and context of different areas within SoHo/NoHo
- Use contextual zoning tools to guide the form and scale of future development

#### Q. Will a rezoning allow tall towers or skyscrapers?

The new rules will not allow tall towers or skyscrapers.

The existing manufacturing zoning has no height limits, and this has resulted in the construction of towers in the SoHo and NoHo neighborhoods. The proposed zoning actions would replace the existing unlimited-height zoning with new building envelopes and use contextual zoning tools to guide the size and density of future building both within and outside of historic districts. These envelopes will respect and enhance the unique character of these neighborhoods and would not permit tall towers.

Nearly 85% of the area being studied for a rezoning is and will continue to be protected by SoHo/NoHo's six historic districts. Within the historic districts, the plan would also establish contextual districts to ensure new buildings match the predominant heights and look of the classic loft architecture. Outside of the historic districts, the plan would seek to maximize housing potential, including permanently affordable housing, at increased densities within appropriate building envelopes that resemble the large, loft-like buildings in SoHo/NoHo today. The proposal does not contemplate new building heights that exceed the heights of buildings that currently exist in SoHo/NoHo and would ensure that new buildings more closely resemble the handsome loft architecture that characterizes these neighborhoods.

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# **The Planning Process**

#### Q. Do you aim to rezone SoHo/NoHo in this administration?

Yes. The robust public process for neighborhood zoning plans, such as the SoHo/NoHo Neighborhood Plan, involves approximately 12 months, beginning with the public environmental scoping meeting. The scoping meeting for this neighborhood plan is scheduled for December 3<sup>rd</sup>, 2020, meaning the public process could conclude with a City Council vote in the second half of 2021. Information on the SoHo/NoHo Neighborhood Plan, upcoming public meetings and other updates will be shared on the SoHo/NoHo Neighborhood Plan webpage.

#### Q: How will you involve the community and the public in the planning process going forward?

The public review process includes multiple opportunities for the community and members of the public to offer input and engage with us. The upcoming public process will build on our ongoing community engagement efforts, which include over 40 public and stakeholder meetings, workshops and focus groups, culminating in the Envision SoHo/NoHo report.

**DCP held a** <u>virtual public information session</u> in the evening of October 26, 2020 to answer questions from the public and provide information on the SoHo/NoHo Neighborhood Plan and details on how to participate in the environmental review and land use review processes. Over 500 New Yorkers attended the virtual session. We are encouraged by the wide variety of questions asked during the session and will continue to work towards answering them as the Neighborhood Plan progresses.

The next opportunity to provide input is the virtual December 3rd environmental <u>scoping meeting</u>. Relevant materials for this scoping meeting have been posted <u>here</u>.

Multiple additional opportunities for public participation will follow, including an environmental comment period, public presentations to the City Planning Commission, Community Board and Borough President public meetings, and City Planning Commission and City Council public hearings.

Information on the SoHo/NoHo Neighborhood Plan, past and upcoming public meetings and other updates will be shared on the SoHo/NoHo Neighborhood Plan webpage.

# Q: Who contributed to the Envision SoHo/NoHo report?

The Envision SoHo/NoHo report, which forms the foundation of this neighborhood plan, was sponsored by the Department of City Planning, Councilmember Margaret Chin and Borough President Gale Brewer. It summarizes the conclusions and recommendations from the public engagement sessions as well as the local stakeholder group including representatives from the City Council Land Use Division, Councilmember Carlina Rivera, Community Board 2, Broadway Residents Coalition, Cooper Square Committee, Cooper Union, Landmarks Conservancy, Lower Manhattan Cultural Council, Manhattan Chamber of Commerce, New York University, NoHo Business Improvement District (BID), NoHo-Bowery Stakeholders, NoHo Neighborhood Association, NYC Loft Tenants, Real Estate Board of New York, SoHo Alliance, SoHo Broadway Initiative (BID), and SoHo Design District.

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# **Housing**

#### Q: If zoning doesn't allow housing, why do so many people already live in SoHo and NoHo?

The existing manufacturing zoning in SoHo/NoHo does not allow housing. The close to 8,000 New Yorkers that live in the neighborhoods today own or rent units largely fall into three categories:

- 1) **Joint Living Work Quarters for Artist (JLWQA)** which is considered a manufacturing use in zoning and requires the occupancy of an artist certified by the Department of Cultural Affairs;
- 2) **Loft Buildings governed by the State Loft Law** and do not require certified artist occupancy, including <a href="Interim Multiple Dwellings">Interim Multiple Dwellings</a> (IMDs) and former IMDs that have been fully legalized; or
- 3) converted or newly built market-rate residential units approved by CPC special permits or BSA variances.

The complex interactions between JLWQA zoning regulations and the existing residential landscape have been cited by some local residents - including certified artists, and others that lack or do not qualify for certification - as a source of significant uncertainty and potential risk in planning for their futures. In addition to addressing local concerns, it is also critically important to more broadly allow residential use and require affordable housing in SoHo/NoHo so that the neighborhoods' amenities and infrastructure of opportunity can be made more accessible to New Yorkers of all professions and income levels.

The SoHo/NoHo Neighborhood Plan, building on recommendations from Envision SoHo/NoHo, would continue to allow existing certified artists to maintain their status, create a pathway to legalize non-certified artist occupancies, accommodate live-work with flexible provisions, allow residential use and require affordable housing.

Existing certified artists that occupy space as JLWQA use could continue to do so. Residents living in rent regulated units would remain protected by existing laws.

# Q. Will affordable housing be part of this plan?

Yes, affordable housing is a critical priority identified through the community engagement process for SoHo/NoHo and reflects local and citywide housing needs.

The Neighborhood Plan involves mapping SoHo and NoHo as a **Mandatory Inclusionary Housing Area** (MIH Area), where between 20% and 30% of new residential floor area will be required to be permanently affordable and available to residents at a range of income levels. As noted below, compared to SoHo/NoHo's median household income of \$144,508 (US Census Bureau, American Community Survey 2013 – 2017), the units created by implementing MIH in SoHo/NoHo would contribute meaningfully to housing affordability and equity.

For reference, the City's MIH program is designed to create affordable housing for a wide range of New Yorkers with a set of income mix options. MIH options that could be applied in SoHo and NoHo include:

- **Option 1:** 25% of residential floor area must be for affordable housing units for residents with incomes averaging 60% AMI (\$61,440 per year for a family of three),
- Option 2: 30% of residential floor area must be for affordable housing units for residents with incomes averaging 80% AMI (\$81,920 per year for a family of three), or
- **Deep affordability option:** 20% of the total residential floor area must be for housing units for residents with incomes averaging 40% AMI (\$40,960 per year for a family of three).

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More information on the 2020 New York City Area Median Income (AMI) levels can be found <a href="here">here</a>. Additional details on MIH options will be identified during the development of the zoning proposal and land use review process.

#### Q. Are there any city-owned sites?

No, there are no city-owned sites within the plan area where buildings can be constructed.

# Q. Do you have an estimate for the number of affordable units that could be created? How many market-rate units? What MIH option are you aiming for?

The proposal would allow new homes to be created and require affordable housing in all new developments, allowing approximately 3,200 new homes, with about 800 permanently affordable homes via Mandatory Inclusionary Housing (MIH). This estimate includes likely development sites outside historic districts and on vacant parcels, which present significant opportunities for new housing, as well as smaller or irregular infill sites that may be more difficult to develop and sites within historic districts subject to additional review by the City's Landmarks Preservation Commission. Additional information on the estimated housing units may be found in the Neighborhood Plan's environmental documents here.

As noted above, the specific MIH option or options will be identified as the specific zoning proposal is developed in the coming months. Existing rent-regulated homes, many covered by the State Loft Law, will remain protected.

# Q. What about the longtime artists who helped make the neighborhood what it is today? What does the Neighborhood Plan mean for artists who want to retain JLWQA status, and those who wish to remove the certified-artist-only occupancy restriction?

Artists and other residents living in rent-regulated units, many of whom covered by the Loft Law, will remain fully protected by existing laws.

Certified artists currently living in SoHo/NoHo under the Joint Living Work Quarters for Artist (JLWQA) use provisions could continue to live and produce art in their spaces; their artist certifications would remain in effect.

The Neighborhood Plan would also create a voluntary option to change an existing JLWQA use to a typical residential use (no certified-artist requirement), which could help address the need for more flexible occupancies we heard from some artist homeowners as they plan for their future. As noted below, such residential use would have flexible provisions to accommodate varied residential and livework modes.

# Q: What does the Neighborhood Plan mean by "accommodating and expanding live-work"?

Combined live-work space has long been part of the character of SoHo and NoHo, specifically in the unique allowance of Joint Living Work Quarters for Artist (JLWQA) use by certified artists. But, existing JLWQA provisions do not provide live-work options for artists / artisans that do not qualify for certification, creative professionals, or others that could benefit from such flexible arrangements.

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Further, as noted previously, the complex interactions between JLWQA regulations and the existing residential landscape is a source of uncertainty and potential risk for many current SoHo/NoHo residents, and presents a significantly barrier for fair and equitable housing.

The Neighborhood Plan seeks to more broadly allow residential use and provide certainty and predictability for current residents without disrupting the live-work traditions of many households in SoHo/NoHo. New housing built or converted pursuant to the proposed zoning would have flexible rules to accommodate typical residential use as well as live-work arrangements so that a wider range of residents – including artists, artisans and others - can live and work in SoHo and NoHo.

# Q: What will the Neighborhood Plan do to add schools, open space and other community amenities to support the increase in population in SoHo/NoHo?

As part of the environmental review for the Plan, the potential for impacts on childcare and school seats, open space and other community resources will be analyzed and where an adverse impact is identified, mitigation measures will – and must by law -- be explored. Information on the environmental view can be found <a href="https://example.com/here">here</a>.

The SoHo/NoHo Neighborhood Plan also creates a much-needed space for City agencies and the community to work together on strategies that will support equitable growth and improve quality of life.

# **Impact on Industry**

# Q: If existing zoning doesn't allow retail, why are there so many stores in SoHo and NoHo?

Unlike most neighborhoods in the City including similarly mixed-use areas around SoHo/NoHo, there are almost no locations where restaurants or retail stores are allowed in SoHo/NoHo under the obsolete M1-5A and M1-5B zoning.

Ground floors and cellars in SoHo and NoHo generally only allow manufacturing, light industrial, wholesale and other heavy commercial uses that serve the manufacturing industry. Over the past several decades, as manufacturing uses relocated elsewhere in the city and the region, SoHo/NoHo's central location, excellent transit access and unique character have made these neighborhoods attractive to shops and cafes, among many other commercial uses. Over time, many commercial uses have been permitted in SoHo and NoHo, but only on a case-by-case basis via special approvals from the City Planning Commission (CPC) and the Board of Standards and Appeals (BSA).

# Q: If stores can be permitted by special permits and variances, why do we need a rezoning?

While special permits and variances are available to be sought, these are complex, time-consuming and expensive processes that disproportionately hinder small businesses and individual property owners. Unnecessarily onerous regulations also contribute to neighborhood-scale consequences such as increased storefront vacancies and lack of diversity in storefront tenants. Further, a tangle of zoning rules makes enforcement extremely complex. Unless the current rules are updated to reflect existing conditions and future trends, they will only serve to compound the financial strain caused by the COVID-19 pandemic and jeopardize SoHo/NoHo's long-term economic resiliency.

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# Q: What is the current vacancy rate in SoHo/NoHo? How would the rezoning affect that?

Before the COVID-19 pandemic, the Department of City Planning's 2019 "Assessing Storefront Vacancy in NYC" study of 24 neighborhoods across the five boroughs found that SoHo/NoHo had a high vacancy rate averaging at approx. 14% in the 2017/18 period, well above the 5% to 10% vacancy rate the retail industry considers healthy. Broadway and Canal Street had even higher vacancy rates reaching approximately 25%. Outdated zoning, along with other market, physical and regulatory factors, likely contributed to the high storefront vacancies in SoHo and NoHo.

DCP's recently released "Retail Activity in NYC: COVID Recovery Across 24 Neighborhoods" report found that SoHo/NoHo and Canal Street had the lowest proportion of opened businesses in July 2020, and that they are the only two areas out of the 24 neighborhoods surveyed where more than 50% of the storefronts were closed or vacant. The presence of outdated zoning and onerous use restrictions will only serve to exacerbate challenges to recovery for SoHo/NoHo, two of New York City's most significant commercial areas.

# Q: What is light manufacturing considered? What manufacturing uses already exist in SoHo/NoHo? How would the rezoning affect light manufacturing businesses?

Light manufacturing uses permitted by the existing zoning in SoHo/NoHo encompass traditional factories that engage in the manufacture of goods and other complementary uses, ranging from dry good, food and textile factories, plastic, metal and woodworking shops, lighting fabricators, to film production studios and wholesalers. Many of these uses existed but were already shrinking when the M1-5A and M1-5B zoning was put in place in SoHo/NoHo in the 1970s.

Today, SoHo/NoHo is a dynamic mixed-use district with very few active light manufacturing establishments. The Neighborhood Plan would offer regulations that would continue to accommodate light manufacturing, but also allow office, retail, residential, community facilities, such as health clinics and cultural centers, among other compatible uses.

Joint Living Work Quarters for Artists (JLWQA) use counts as light manufacturing under the current SoHo/NoHo zoning, and would continue to be allowed under the Neighborhood Plan.