

Citywide Hotels Text Amendment

Citywide

4/29/21

Introduction

The Citywide Hotel Text Amendment is a citywide action, affecting all boroughs and community districts, to require a special permit for new hotels.

Background

New York City has added over 54,000 hotel rooms since 2007, a 73 percent increase in supply. The rapid pace of new hotel development has introduced new activity that may conflict with existing businesses or affect the character of the surrounding area.

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. Although hotels are appropriate and desirable uses in the city's commercial, mixed-use, and light manufacturing districts, reviewing the project's relationship to area context will result in better configuration of the use to minimize conflicts with adjacent uses and protect the safety of hotel guests.

As of January 2020, New York City remained one of the world's most popular travel destinations, the third largest hotel market in the United States after Las Vegas and Orlando, and the largest hotel supply pipeline in the nation according to Lodging Magazine. In 2019, New York City drew a record 66.6 million visitors, a 2.4 percent increase over 2018 and reflective of an uninterrupted 12-year run of consecutive increases in visitor counts. 28 million of those visitors stayed in hotels in the city.

2019 also saw the continuation of an unprecedented boom in hotel development in New York City that began in 2007 and added over 54,100 hotel rooms since that year—a 73 percent increase in supply. 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. In addition, 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. At the same time, many C8 and mixed-use districts where new hotels have located lack amenities and services, while surrounding business activity and traffic may create hazards for guests.

The rapid growth of new hotels across the city has led to calls from communities and elected officials to better regulate the development hotels to limit land use conflicts and slow the pace of development in some locations. Over time, the City Planning Commission (CPC) has adopted a

variety of special permits to address myriad planning concerns relating to residential development goals, neighborhood character, and conflicts with adjacent uses. Consequently, the City has an inconsistent and patchwork framework for new hotel development.

There have been several recent efforts to require special permits for hotels in areas of the City. The Special Purpose Districts in Inwood, Jerome Avenue, East Harlem, East Midtown, Midtown South, Garment Center, Hudson Square, Battery Park City, Clinton and Tribeca all contain provisions that require a special permit for new hotels. On December 20, 2018, the City Council approved a Citywide text amendment requiring special permits for hotels in M1 manufacturing districts throughout the City.

Although the COVID-19 pandemic caused an abrupt and precipitous drop in hotel occupancy and construction, visitation is expected to return by 2025 along with a demand for new hotels. When this occurs, a more uniform zoning framework for new hotels citywide would support more predictable development and limit the extent to which a hotel use may impair the future use or development of the surrounding area. Review of a new or enlarged hotel's relationship to neighborhood context would result in better configuration of the use on the zoning lot to minimize conflicts with adjacent uses.

Description of the Proposed Project Area

The special permit would newly require a CPC special permit for new hotels and enlargements where hotels are permitted as-of-right today: C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2-4, C4, C5, C6, C8, Mixed Use (MX), and paired M1/R districts. The proposed CPC special permit would replace existing CPC special permits for new hotels in the special purpose districts listed above. The special permit for hotels in M1 manufacturing districts would retain its findings that are specific to light industrial areas.

The proposed zoning text amendment would affect every community district within the City, since all community districts contain zoning districts that currently permit as-of-right hotel development, either in the form of commercial (C) districts or mixed-use (MX) districts. In addition, since changes to discontinuance provisions described below may apply to existing hotels that are closed on the date of enactment and could apply in all districts, including residence districts, citywide, the action has the potential to affect all community districts.

Description of the Proposed Action

Currently, transient hotels are classified in Zoning as Use Group 5, and motels and tourist cabins are listed in Use Group 7A, and they are permitted as-of-right in all C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2-4, C4, C5, C6, C8, Mixed Use (MX), and paired M1/R districts. For the purposes of this zoning text amendment, transient hotels shall include motels and tourist

cabins. With the adoption of this proposal, transient hotels will remain in Use Group 5 and Use Group 7A, but a CPC Special Permit would be required for the defined use in all districts that permit new hotels. The text amendment would also apply to existing special permits for new hotels. However, the proposed text amendment would retain existing findings and regulations for hotels in M1 districts where a special permit was adopted in December 2018.

By establishing a new CPC Special Permit, the Department of City Planning proposes a case-by-case, site-specific review process to better regulate where and how hotels get built and ensure that new hotels do not create conflicts with surrounding uses.

The findings of the proposed Special Permit would require the City Planning Commission to evaluate whether a new hotel development would be appropriate based on a set of criteria. In making this determination, the Commission shall find that a proposed hotel use shall not impair the future use or development of the surrounding area.

Because of the closure of many of the city's existing hotels due to the COVID-19 pandemic, the proposed text amendment includes the following provisions intended to support recovery of hotel inventory:

- Existing hotels would be considered conforming uses to allow limited enlargements, alterations, and extensions, and to allow the reconstruction of hotels in the event of damage or destruction.
- Current zoning that discontinues nonconforming uses that are vacant for two or more years would be suspended for existing hotels in all zoning districts until six years from the date of adoption, thereby allowing hotels existing on the date of enactment to reopen as a hotel without a special permit.
- Existing hotels located in any zoning district that are converted to other uses would also be permitted to convert back to a hotel until six years from the date of adoption without obtaining a special permit.
- Hotel projects in the development process with a filed DOB application by the date of referral and DOB zoning plan approval by the date of adoption will be vested under current zoning until six years from the date of adoption. However, applications for hotels filed at DOB prior to 2018 must also obtain a foundation permit by the date of adoption.
- Projects and land use actions supporting hotel development approved by DCP or BSA after January 1, 2018 or that have filed with BSA or been certified by the CPC before the date of adoption would be excluded from the requirement until six years from the date of adoption.

Any existing hotels on the date of adoption of the proposed zoning text amendment would be considered a conforming use and may be continued, structurally altered, changed, extended, or enlarged within the limitations set forth in the zoning text amendment, which states that a

transient hotel existing on the proposal's date of adoption is permitted to increase its floor area up to 20 percent, without a Special Permit.

Furthermore, a transient hotel operated on or after the date of adoption for a public purpose by the City or State of New York or operated by a non-governmental entity pursuant to an active contract with an agency of the City or State for such a public purpose, will not be subject to the Special Permit provisions.

Actions Necessary to Facilitate the Project

The proposed text amendment would modify provisions throughout the zoning resolution, notably the use provisions in Article III Chapter 2, Article XII Chapter 3 and several special purpose districts to require a special permit for hotels. Special permits would be replaced in: East Midtown, Special Hudson Square, Special Clinton, Special 125th Street, Special Tribeca Mixed-Use, Special Garment Center, Special East Harlem Corridors, Special Jerome Corridor, and Special Inwood districts. A new special permit would be created in: Theater Subdistrict, Limited Commercial, Special Battery Park, Special Sheepshead Bay, Special Madison Avenue Preservation, Special Coney Island, and Special Governors Island districts. The new special permit will be pursuant to Zoning Resolution Section 74-802.

Citywide Hotel Special Permit Areas of Applicability

- Districts where new Special Permit would Apply
- Areas with Existing Hotel Special Permits

