

Note: The Office Adaptive Reuse report published (Dec 2022) on the website below represents the final findings of the task force. This PowerPoint is from a task force meeting leading up to that publication. It was for discussion purposes only and does not necessarily represent the views of the task force or the Department of City Planning. These slides have been modified minorly.

<https://www.nyc.gov/site/planning/plans/office-reuse-task-force/office-reuse-task-force.page>

OFFICE ADAPTIVE REUSE TASK FORCE MEETING 3

19 October 2022



Task force members



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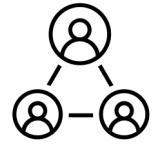
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Head of Affordable
Housing, Tishman
Speyer



Cea Weaver
Campaign
Coordinator,
Housing Justice for
All



Perris Straughter
Director of Land Use
at the City Council



Achieve a common understanding of regulations governing adaptive reuse



Catalog potential regulatory changes for consideration



Establish a path forward and priority research areas

1. Welcome, introductions, task force reminders (10 mins)
2. Regulations governing **office-to-residential conversion** (55 min)
3. Regulations governing **other types of office conversion** (20 min)
4. Future sessions & priority research topics (5 min)

Task Force Overview

Scope

- Council-mandated task force to “*study options and make recommendations for converting vacant or commercially unviable office space to other potential uses*” (Local Law 43 - 2022)

Membership

- 12 members
- Supported by agency staff and consultant analysis

Duration

- Anticipated to end Dec 2022

Deliverable

- Public report outlining recommendations



Sessions

20 July	<ul style="list-style-type: none">• Kickoff and alignment on goals
22 Sep	<ul style="list-style-type: none">• Types of office buildings at risk• Physical considerations in conversion
19 Oct	<ul style="list-style-type: none">• Regulatory factors limiting reuse
16 Nov	<ul style="list-style-type: none">• Financial feasibility of conversion• Mixed-income housing viability• Property tax impacts
7 Dec	<ul style="list-style-type: none">• Recommendations



Legislative requirement (Local Law 43 – 2022):

“Any zoning or other regulatory provisions that currently impede the conversion of commercial office buildings to other uses such as housing”

Regulations governing office-to-residential conversion

- Existing regulations
- Potential eligibility criteria changes
- Potential program benefit changes

Existing regulations

Conversions need to comply with zoning and code

Zoning

NYC Zoning Resolution

New York
State Multiple
Dwelling Law
(MDL)

Code

NYC Construction Codes (e.g., Building Code)
NYC Fire Code
NYC Housing Maintenance Code

Note: Exceptions are possible via the Board of Standards and Appeals (BSA) or at the discretion of the New York City Department of Buildings Commissioner

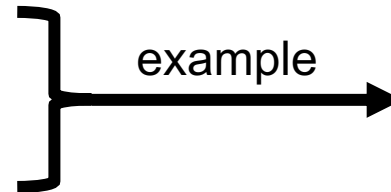
Standards for residential buildings

NYC has regulations for residential buildings (e.g., ZR 20-00)

Some of those standards are hard for an office-to-residential conversion to meet

Alternative standards exist to provide a feasible conversion pathway for some buildings (e.g., ZR 15-00)

Many office-to-residential conversions have used those alternative pathways



example

Normal residential standards (ZR 20-00) are often hard for office conversions



Current office building

Too big for residential
Max floor-area-ratio for standard residential is 10

No rear yard
Need 30ft in standard zoning

East 48th St.

Several regulatory pathways exist for as-of-right office-to-residential conversion

Zoning

Code



Path 1

Comply with standards set for a newly constructed residential building (ZR 20-00)

Path 2

Follow (lenient) zoning designed to allow older buildings to convert (ZR 15-00/MDL)

Other niche pathways*

Path A

Comply with standards set for a newly constructed residential building

Path B

Follow MDL non-zoning regulations. Limited to pre-1977 non-residential occupancy



These more permissive conversion pathways are our focus area

Zoning

Code



Path 2
Follow (lenient) zoning designed to allow older buildings to convert (ZR 15-00/MDL)*

Path B
Follow MDL non-zoning regulations. Limited to pre-1977 non-residential occupancy



Zoning

Flexibility afforded to eligible buildings:

- More flexible light, air, and yard requirements via MDL 277
- More flexibility around the location of residences within a building relative to other uses
- Ability to use FAR that already exists in the building regardless of the underlying zoning*

Code

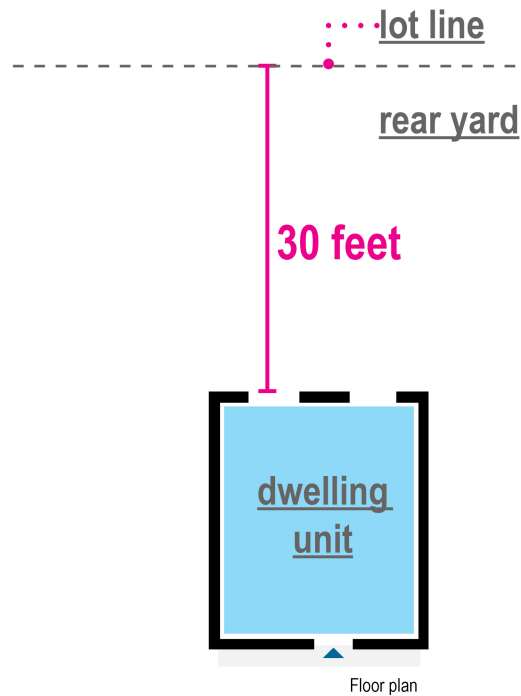
Flexibility afforded to eligible buildings:

- Minor relief related to window sizes and egress
- Variance from DOB commissioner in limited cases**

Example: Light, air, and yard requirements less strict under ZR15/MDL

Standard residential zoning (ZR 20-00)

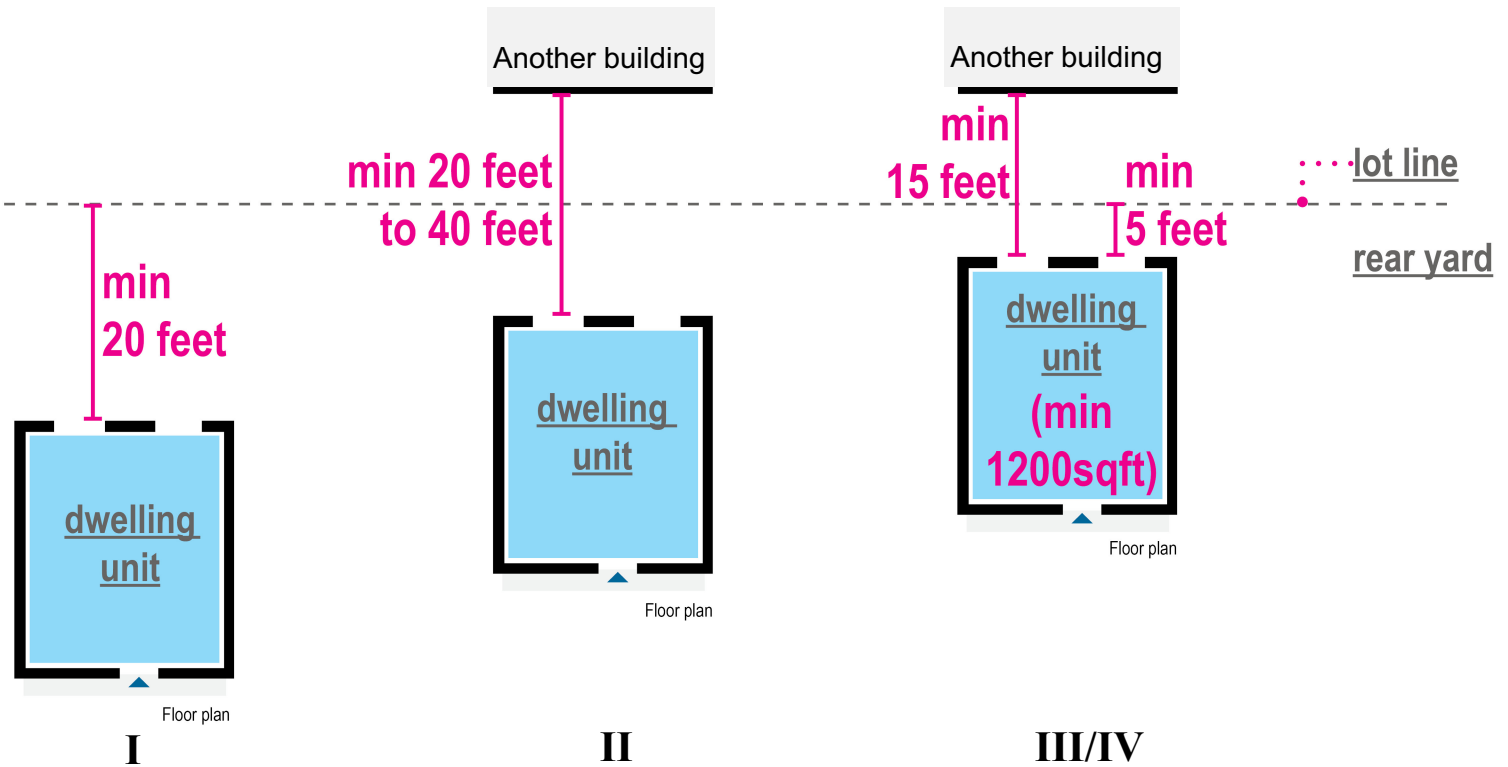
Generally, need 30ft from window to rear lot line (exceptions apply)



Rear yard example is pictured. Separate regulations for courts: at least 1200sf court, with no dimensions less than 30ft)

More flexible conversion zoning (ZR 15-00/MDL)

Window to rear lot line can often be less than 30ft



- I. **20ft** - On the short end of a block, allows rear yard of 20'
- II. **20ft to 40ft** - For interior lots, allows 20'-40' depth to nearest building*, depending on height
- III. **15ft** - Can decrease to 15' if units are large (1200 sf+)
- IV. **5ft** - Buildings can never be closer to lot line than 5'

*Building may be on same lot or adjacent lot

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Zoning

Building criteria required to access Path 2: (must meet all criteria)

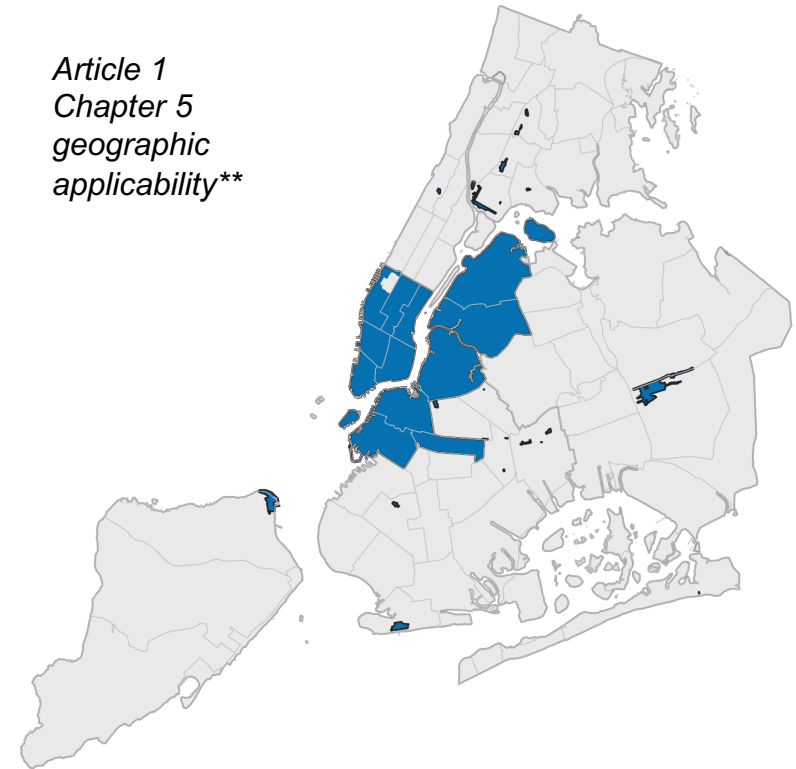
- Located in diagram's blue area
- Built before 1962 (or 1977 in Financial District)*
- In a zoning district where residential is allowed

Code

Building criteria to access Path B

- Non-residential occupancy before 1977

*Article 1
Chapter 5
geographic
applicability***



* Or 1997 if located in a Special Mixed Use District.

** Manhattan Community Districts 1, 2, 3, 4, 5 and 6 (except for Special Clinton District). Brooklyn Community Districts 1, 2, 6, and 8. Queens Community Districts 1 and 2. Any Special Mixed Use Districts. St. George, Downtown Jamaica Special, Coney Island Special Districts

Permissibility of office-to-residential conversion under zoning

Easiest



= More permissible conversion zoning for pre-1977 buildings



= More permissible conversion zoning for pre-1962 buildings



= Most conversions must meet new residential building zoning standards

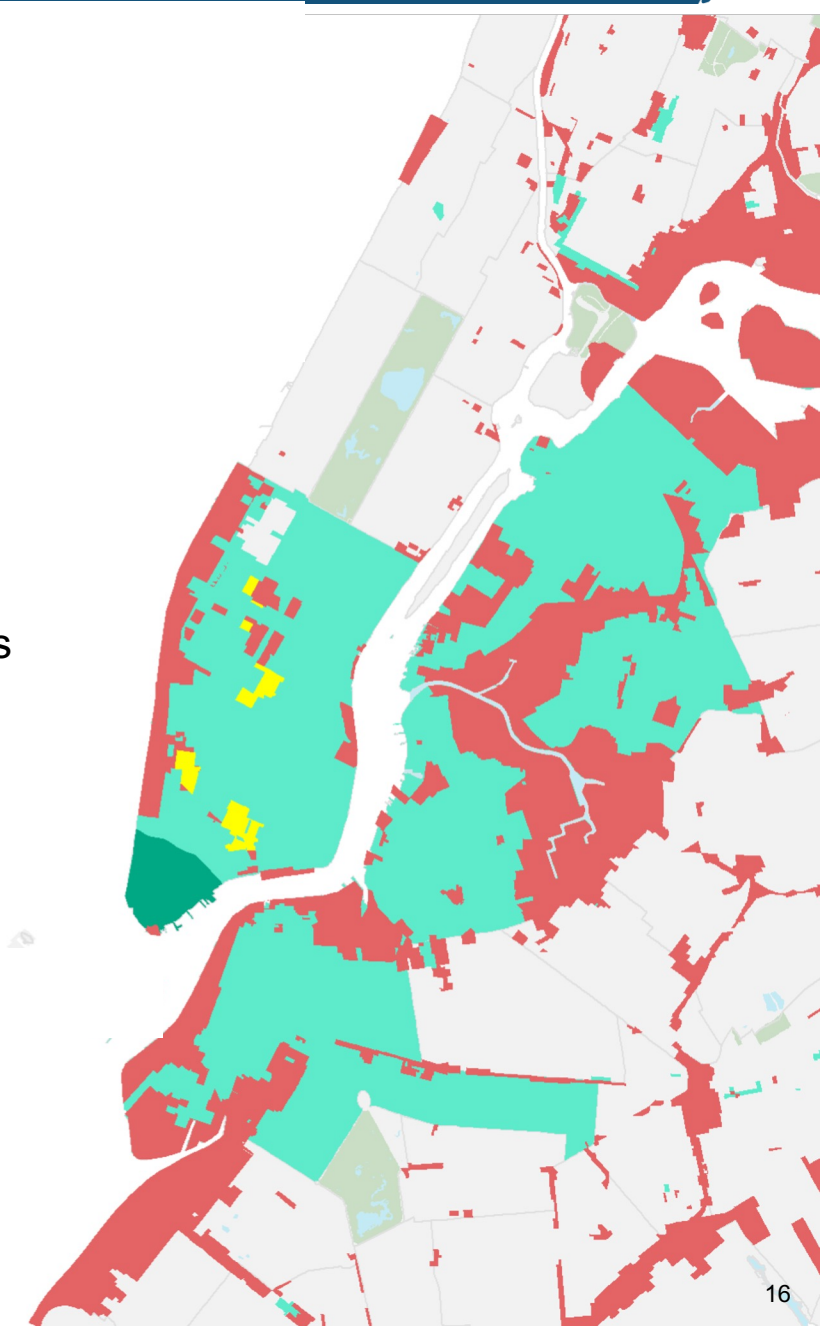


= Special permits or additional requirements to convert*



= No residential permitted (Most M-districts, parks, etc.)

Hardest



*Parts of Chinatown, Garment District M1-6D area, Flatiron, Special Hudson Square District

Note: Additional conversion paths exist in MX districts and for non-complying or non-conforming buildings looking to become conforming and complying.

The map does not reflect recent changes resulting from the SoHoNoHo rezoning.

In some red areas, residential may be allowed under special circumstances, for example under a New York State General Project Plan that overrides local zoning.

Potential regulatory changes

Change the eligibility criteria to the most permissive conversion regulations?

Change the flexibility afforded to eligible buildings?

Eligibility criteria changes

Allow more buildings access to permissive conversion regulations

What we have heard from practitioners so far:

- = **Zoning** change required
- = **MDL** change required

1. Expand eligibility to younger buildings ■ ■

- Existing 1961/1968/1977 cut-offs should become a single cut-off age that is less conservative
- Rolling basis approach (e.g., “45 years or older”) as alternative to fixed-year approach (e.g., “1977”)
- Some building age cutoff is important to ensure buildings are built in good faith
- Don’t add complexity or additional criteria
- Any expansion of eligibility should include expansion of exemption from MDL 12 FAR cap

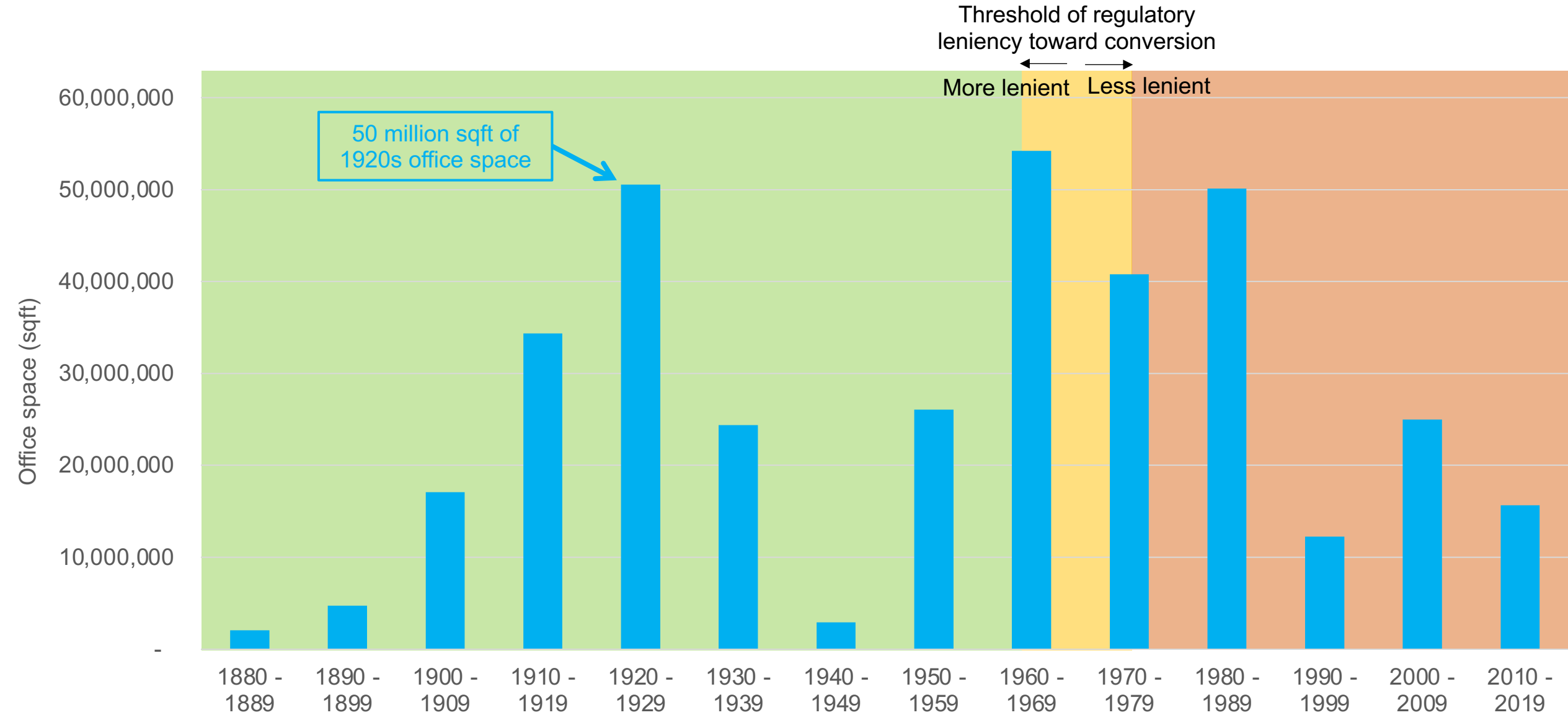
2. Consider expanding geographical applicability of ZR 15-00 ■

3. Review Midtown M-districts that currently don't allow residential* ■

*This would be a change to the underlying zoning, not regulation specifically related to conversions/ZR15-00

Building threshold analysis

Office space by decade built



Propensity for office-to-residential conversion increases with building age

Built 1900 to 1940



≈**6%** of office buildings built 1900 to 1940 were converted to residential/hotel between 2010 and 2020

Built 1950 to 1980



≈**2%** of office buildings built 1950 to 1980 were converted to residential/hotel between 2010 and 2020

Built after 1980



<1% of office buildings built after 1980 were converted to residential/hotel between 2010 and 2020

Physical, regulatory, and financial constraints mean few examples of post-1970 offices converting

Source: DCP analysis of DOB permit data
Note: Findings are shown in % of sqft. Similar results if you calculate in terms of absolute building. Findings are similar for office-to-hotel

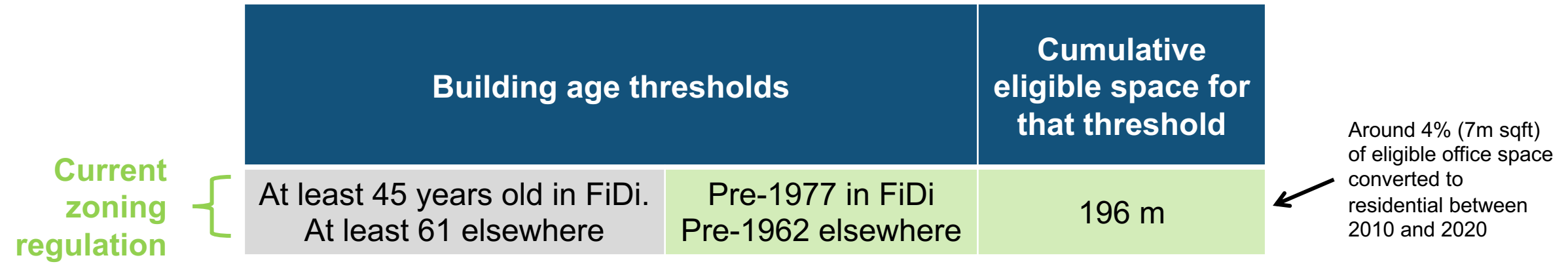
Example where MDL/zoning was a clear conversion barrier

767 Third Ave 40-story office tower

- **Built 1980** (so not eligible for most permissible conversion zoning)
- **30% vacant**
- **Architecturally very suitable for residential conversion** according to Gensler
- **Zoning/MDL cited as one key barrier to conversion** by building owner
- **Owner pursuing office renovation instead**



Almost 200m sqft of office space is currently eligible for most lenient conversion zoning



If building age threshold changes, more space will become eligible

Table: Additional eligible space if the build year threshold was changed

		Building age thresholds	Cumulative eligible space for that threshold	Cumulative % increase vs. existing regulations	
Current zoning regulation	}	At least 45 years old in FiDi. At least 61 elsewhere	Pre-1977 in FiDi Pre-1962 elsewhere	196 m	n/a
		Alternatives for consideration	}	At least 45 years old	Pre-1977
At least 40 years old	Pre-1982			268 m	+37%
At least 35 years old	Pre-1987			300 m	+53%
At least 30 years old	Pre-1992			312 m	+59%
At least 25 years old	Pre-1997			316 m	+62%

Program changes

Increasing leniency of most lenient conversion regulations

- = Zoning change required
- = MDL change required

What we have heard from practitioners so far:

1. Expand beyond standard housing to other types of accommodation* ■ ■
2. Re-examine roof open-space requirements ■
3. Consider adding relief from parking requirements (applicable outside Manhattan/LIC) ■
4. Consider possible changes to light & air requirements in MDL ■
5. General clean-up of State MDL language to aid clarity of interpretation ■

*e.g. college student dormitories, non-profit hospital staff dwellings, philanthropic or non-profit institutions with sleeping accommodations, and other supportive housing

Regulations governing other types of office conversions

Non-residential reuse examples

Reuse of entire building

Office-to-**hotel** (170 Broadway)



Office-to-**middle school** (75 Morton St)



Office-to-**lab** (345 Park Ave S)



Partial reuse

Office-to-**lab** (7 Penn Plaza - 1 floor)



Office-to-**daycare** (40 Wall St - 2 floors)



Office-to-**college** (3 Times Sq. - 8 floors)



Open call for other ideas

Office-to-hotel

- Extend flexibility offered to office-to-residential conversions to office-to-hotel conversions

Office-to-lab

- Necessary rooftop mechanical equipment may not be able to fit within zoning allowances*

Office-to-daycare

- Childcare beyond the ground floor may require special FDNY/DOB/DOHMH safety approvals

Others?

* Likely niche circumstances

Note: Some of these potential barriers impact building owners' others impact tenants

Next steps

Sessions

20 July	<ul style="list-style-type: none">• Kickoff and alignment on goals
22 Sep	<ul style="list-style-type: none">• Types of office buildings at risk• Physical considerations in conversion
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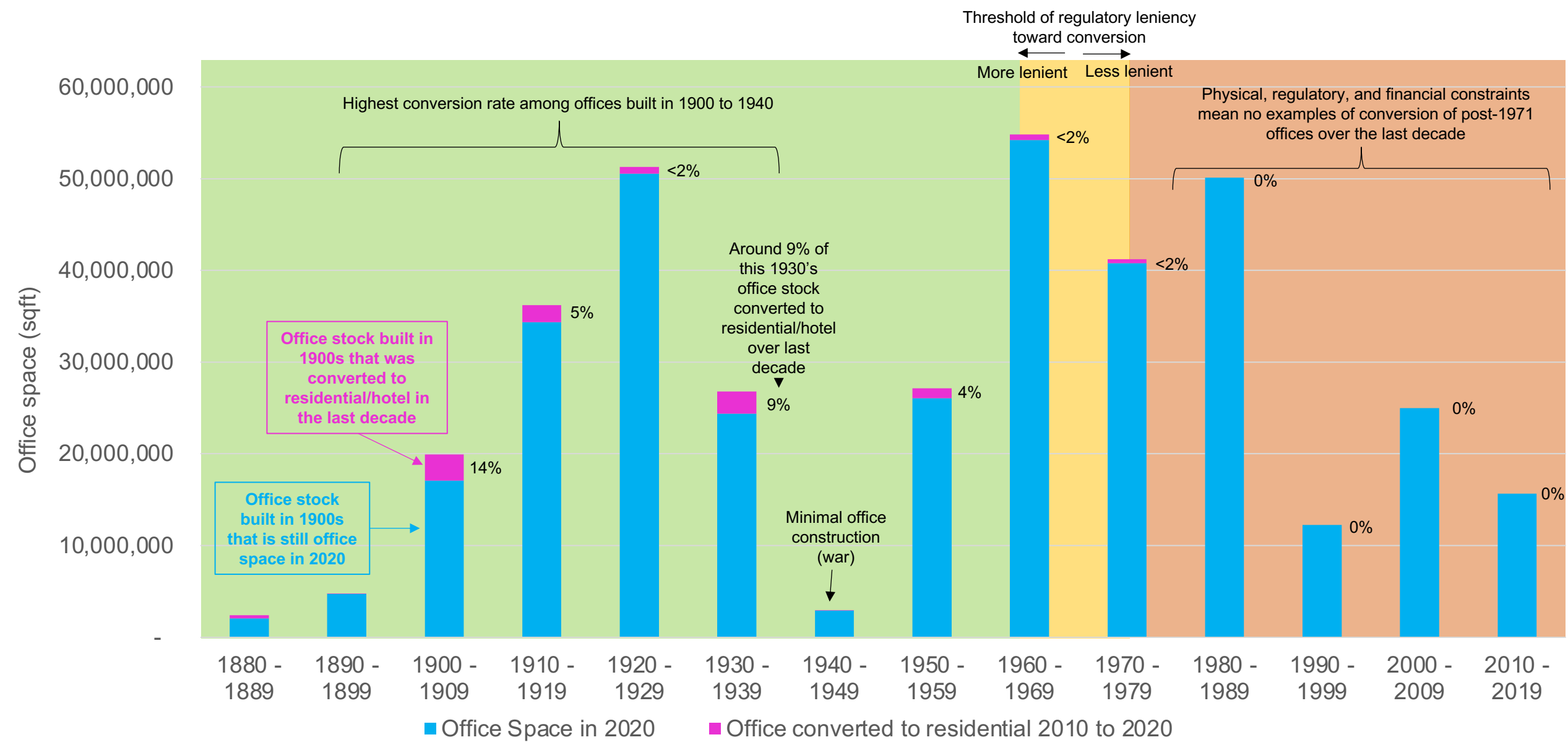
Next session
will be virtual



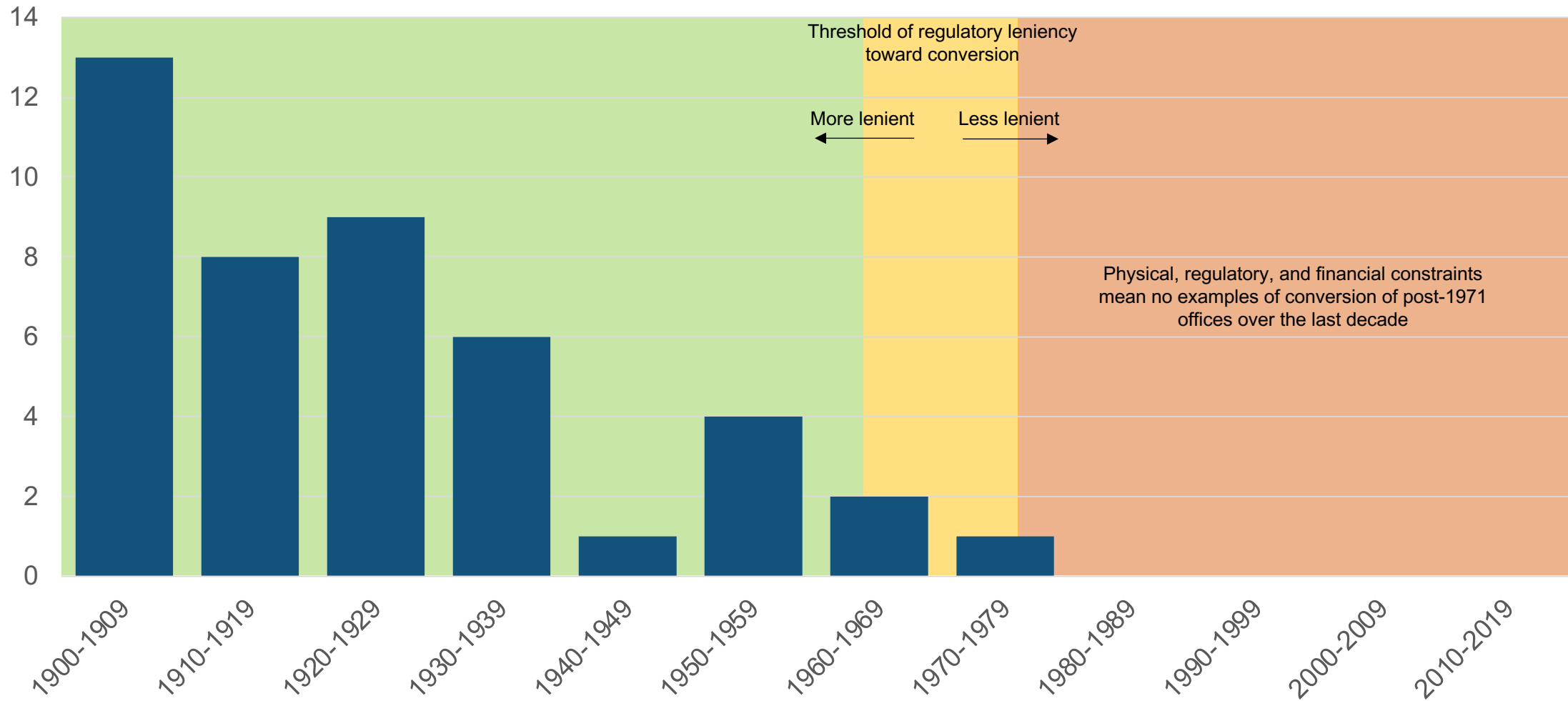
Appendix

Detailed office building age and conversion rate analysis

Office space & converted office space (by decade office was originally constructed)



Large office buildings converted between 2010 and 2020 (by year originally built)



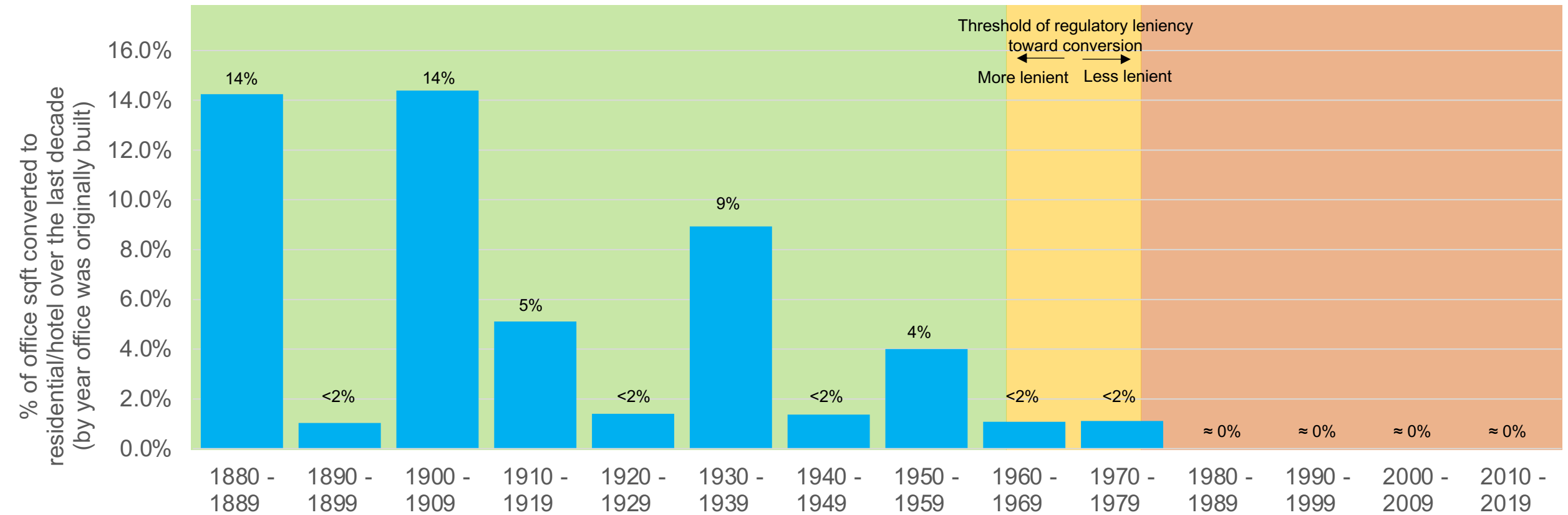
Source: DCP analysis of DOB permit data

Note: Findings are similar if you calculate in sqft terms (instead of number of buildings). Finds are similar if you isolate office-to-res or office-to-hotel

Propensity to convert from office-to-residential/hotel increases with building age

Regulations could be suppressing conversion of younger buildings but likely also architectural and financial factors

Conversion rate from office-to-residential/hotel (by decade office was originally constructed)



Appendix

Article 1 Chapter 5 geographic applicability

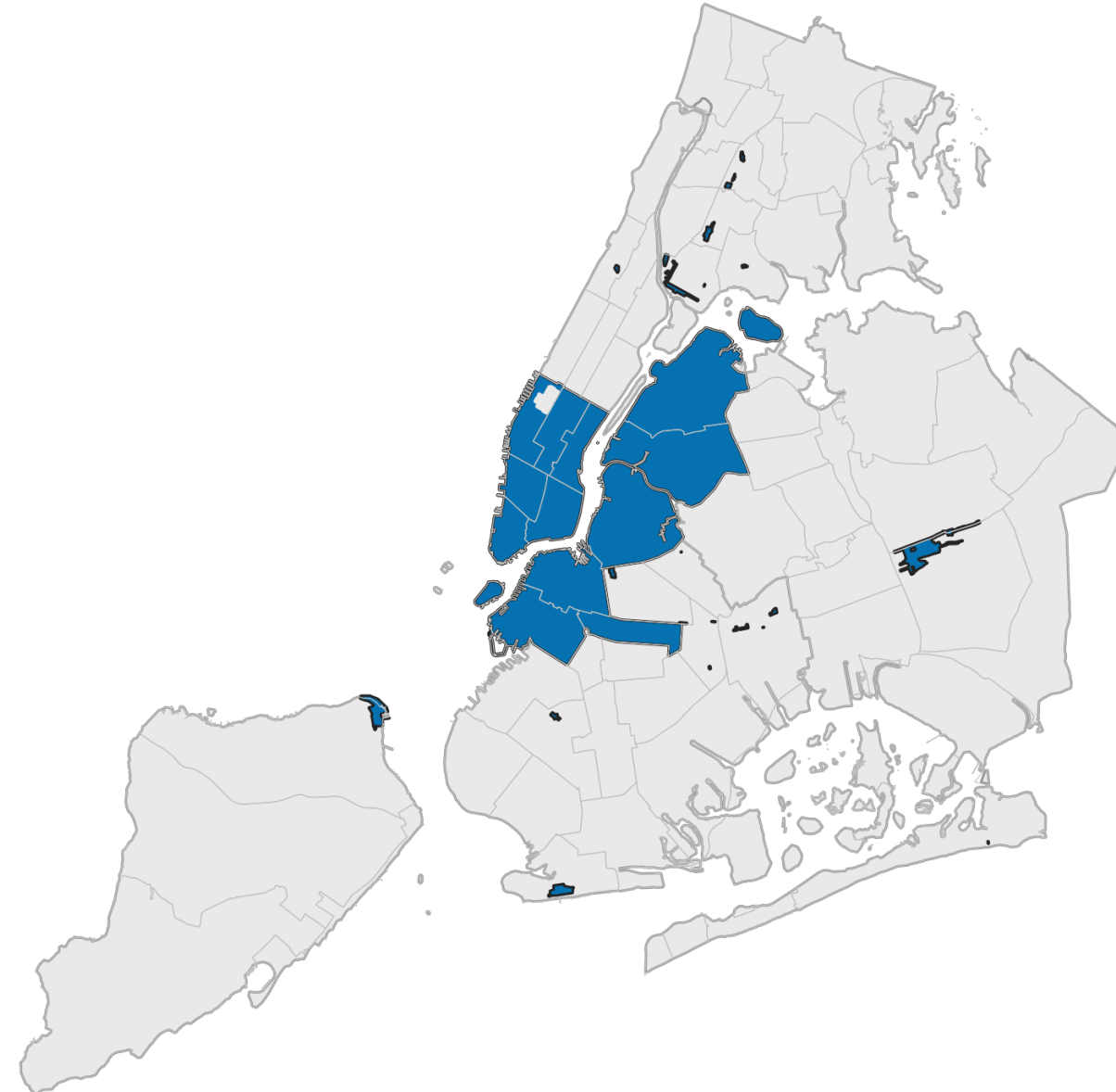
Manhattan Community Districts 1, 2, 3, 4, 5 and 6
(except for Special Clinton District).

Brooklyn Community Districts 1, 2, 6, and 8

Queens Community Districts 1 and 2.

St. George, Downtown Jamaica Special, Coney
Island Special Districts

Any Special Mixed Use Districts.



Appendix

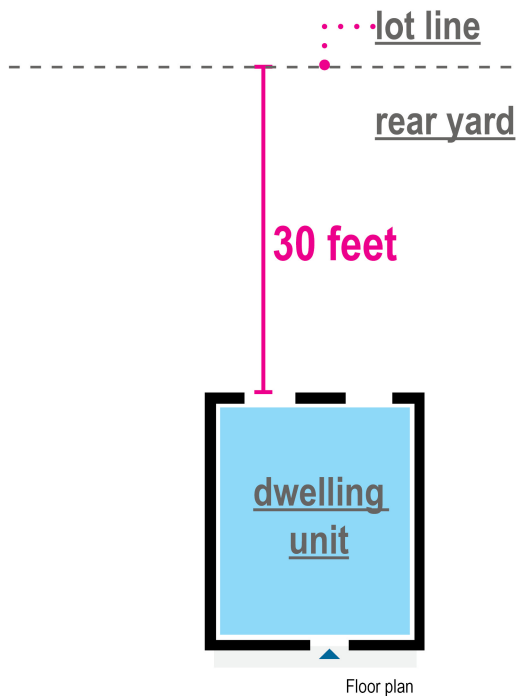
Summary of Existing Regulation in MDL 277 (7)(b)(i)

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Distance between the window and lot line less strict under ZR15/MDL

Standard residential zoning (ZR 20-00)

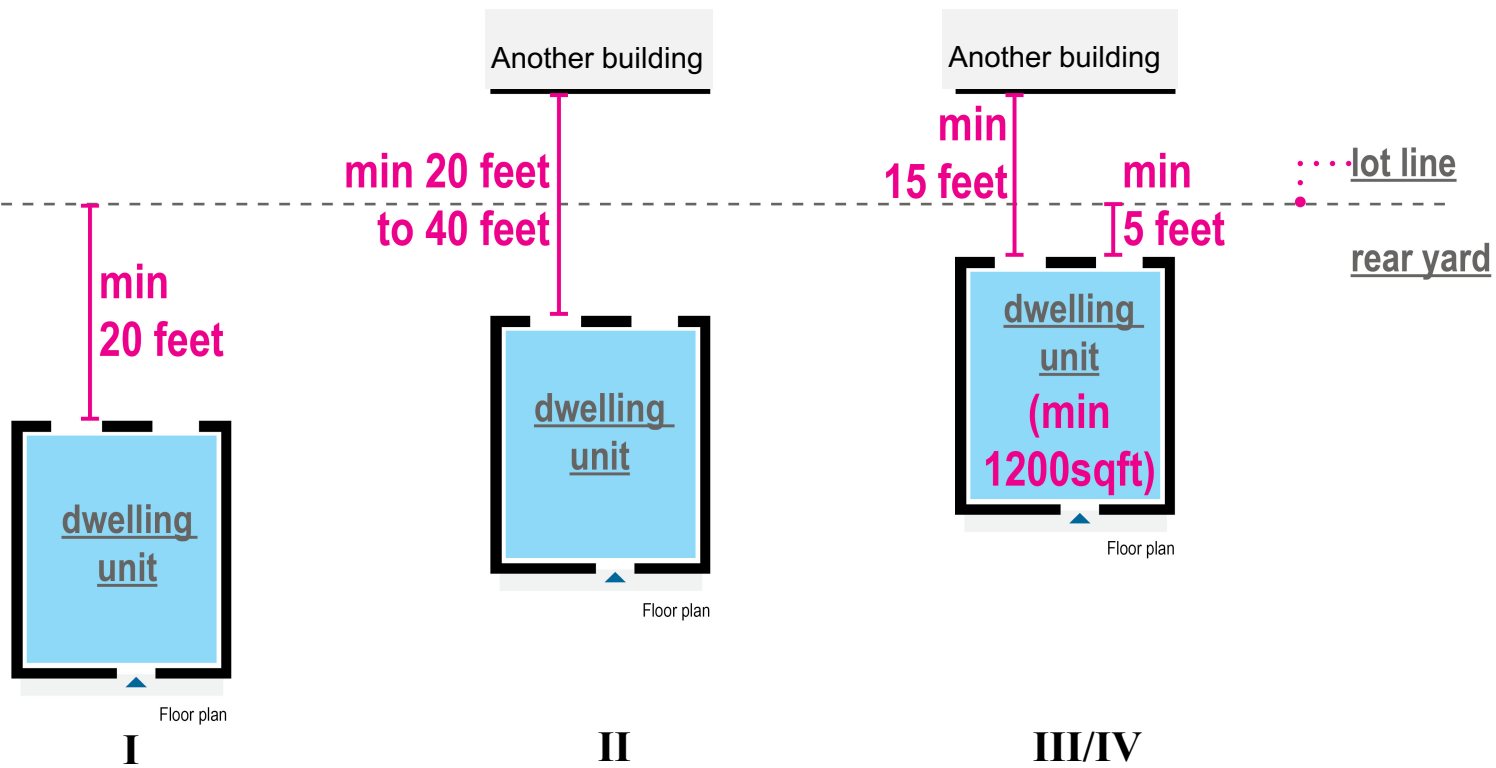
Generally, need 30ft from window to rear lot line (exceptions apply)



Rear yard example is pictured. Separate regulations for courts: at least 1200sf court, with no dimensions less than 30ft)

More flexible conversion zoning (ZR 15-00/MDL)

Window to rear lot line can often be less than 30ft



- I. **20ft** - On the short end of a block, allows rear yard of 20'
- II. **20ft to 40ft** - For interior lots, allows 20'-40' depth to nearest building*, depending on height
- III. **15ft** - Can decrease to 15' if units are large (1200 sf+)
- IV. **5ft** - Buildings can never be closer to lot line than 5'

*Building may be on same lot or adjacent lot

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Illustrative purposes only



MULTIPLE DWELLING LAW SECTION 277 paragraph (7)(b)(i)

Not application to our topic

7. Minimum light and air standards for joint living-work quarters for artists or general residential portions of lofts or manufacturing and commercial buildings altered to residential use shall comply with the following:

(a) Portions of such buildings which are occupied exclusively as joint living-work quarters for artists as permitted by local law shall comply with the following:

(i) The minimum size of a joint living-work quarters for artists shall be twelve hundred square feet of interior space, except as otherwise authorized by the zoning resolution of the city of New York, for units occupied for residential purposes on or before January first, nineteen hundred eighty-five.

(ii) Joint living-work quarters for artists shall conform to the standards for light and ventilation of sections C26-1205.0 through and including section C26-1205.7 of the administrative code of the city of New York.

(b) Portions of such buildings which are occupied exclusively as residential units as permitted by local law shall comply with the following:

(i) Every dwelling unit shall have one or more windows:

A. which open onto a street, a court with a dimension of fifteen feet perpendicular to the windows and one hundred square feet minimum area above a setback or a thirty foot rear yard; or

B. for corner lots or lots within one hundred feet of a corner, where the minimum horizontal distance between such windows opening onto a rear yard and the rear lot line is at least twenty feet; or

C. for interior lots, where the minimum horizontal distance between such windows opening onto a rear yard and any wall opposite such windows on the same or another zoning lot is at least twenty feet and not less than a distance equal to one-third of the total height of such wall above the sill height of such windows; but need not exceed forty feet; or

D. for interior lots where the minimum horizontal distance between such windows opening onto a rear yard and any wall opposite such windows on the same or another zoning lot is at least fifteen feet and the minimum size of such dwelling unit is twelve hundred square feet; or

E. in no event shall the distance between such windows and the rear lot line be less than five feet; and

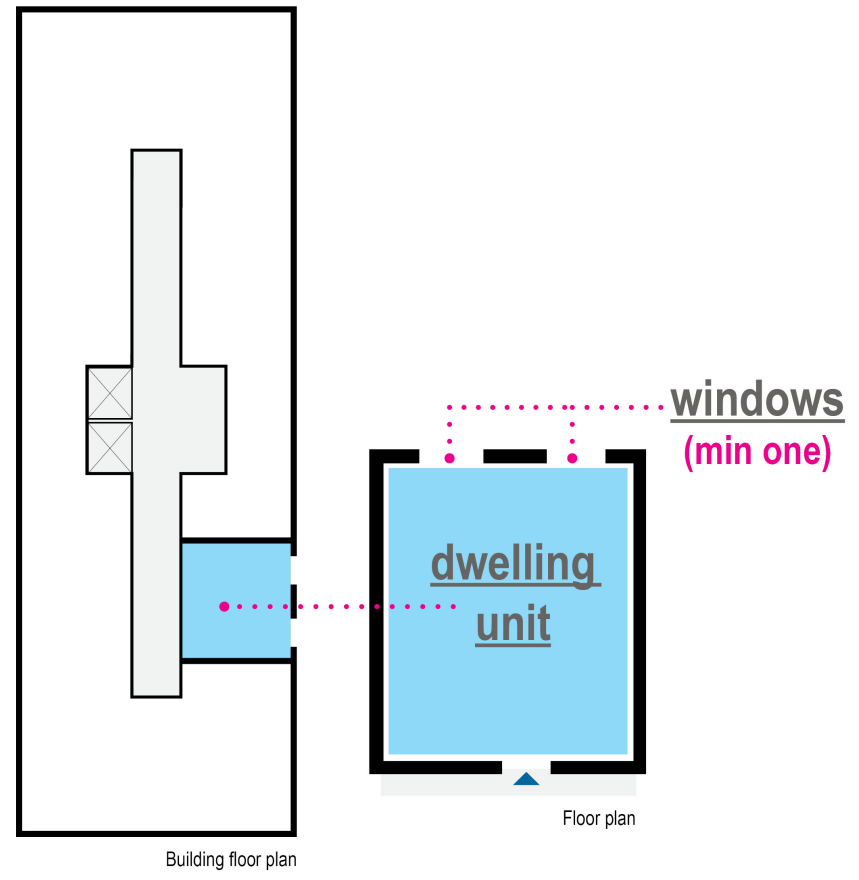
F. yards and courts may be existing or may be new in buildings seven stories or less in height.



MDL
(7)(b)(i) Every dwelling unit shall have one or more windows

ZONING RESOLUTION
How is it different in ZR?

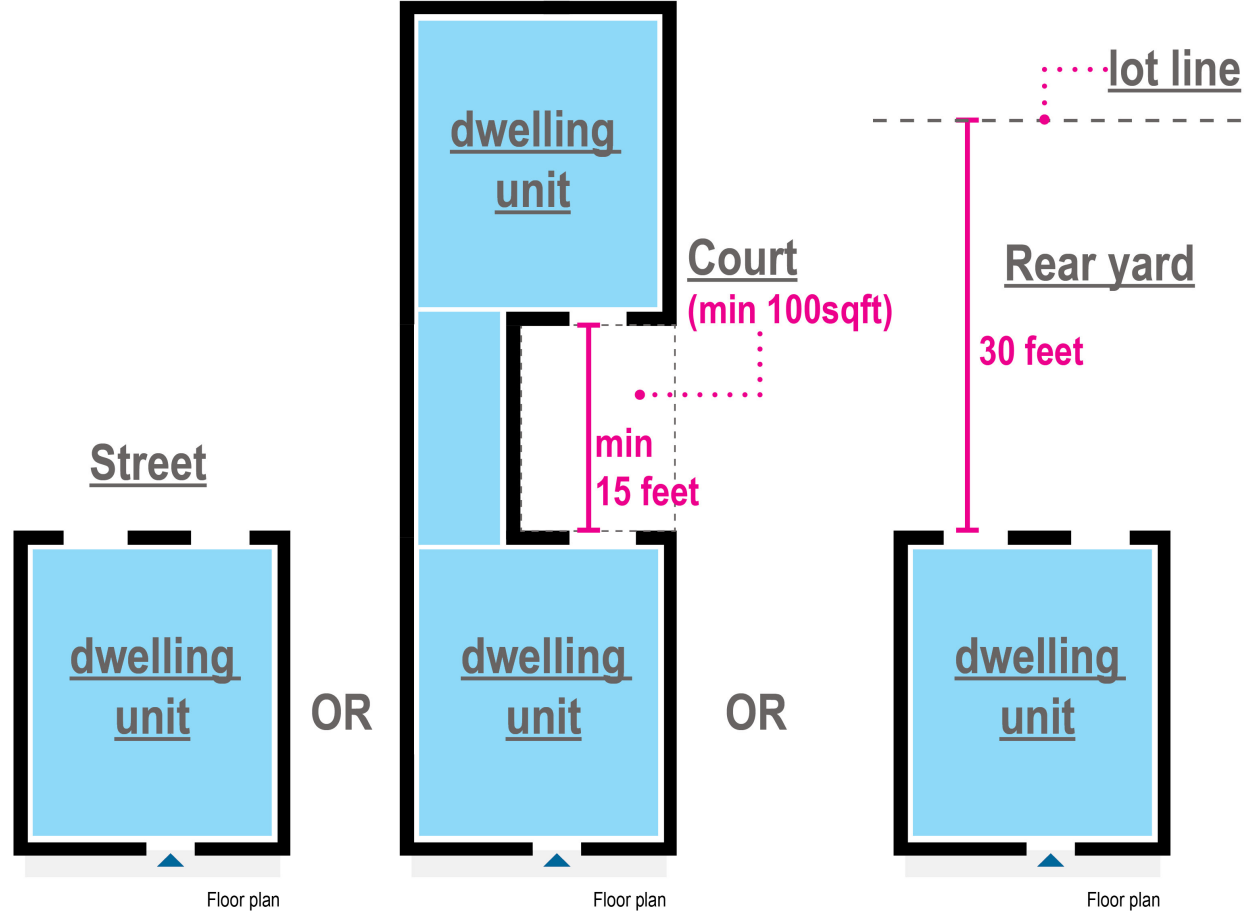
There is no window size/quantity requirements in ZR, but BC.





MDL
(7)(b)(i) Every dwelling unit shall have one or more windows

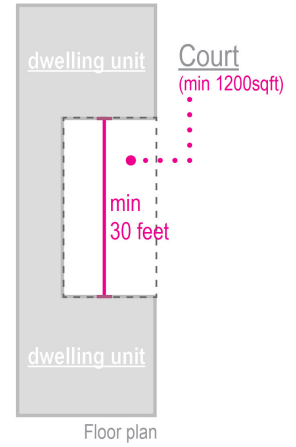
A. which open onto a street, a court with a dimension of fifteen feet perpendicular to the windows and one hundred square feet minimum area above a setback or a thirty foot rear yard; or



ZONING RESOLUTION
How is it different in ZR?

ZR generally requires legal windows along
- a street
- at least 1200sf court, with no dimensions less than 30'
- 30' rear yard*

* (ZR provide a relief for shallow lots less than 90' in depth)





MDL

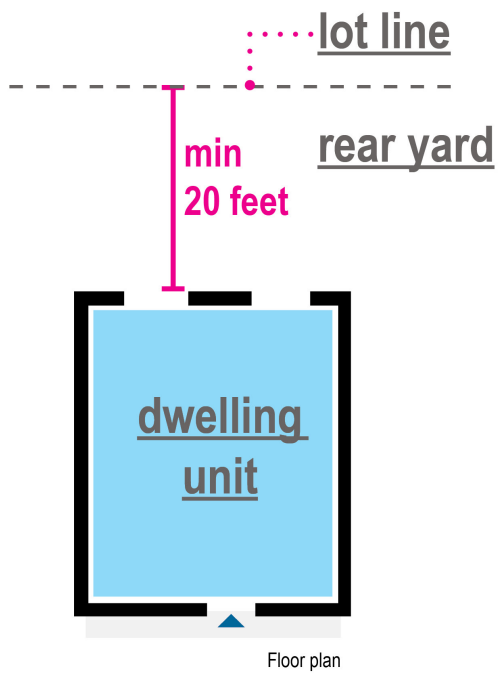
B. for corner lots or lots within one hundred feet of a corner, where the minimum horizontal distance between such windows opening onto a rear yard and the rear lot line is at least twenty feet; or

ZONING RESOLUTION

How is it different in ZR?

ZR requires 30' *

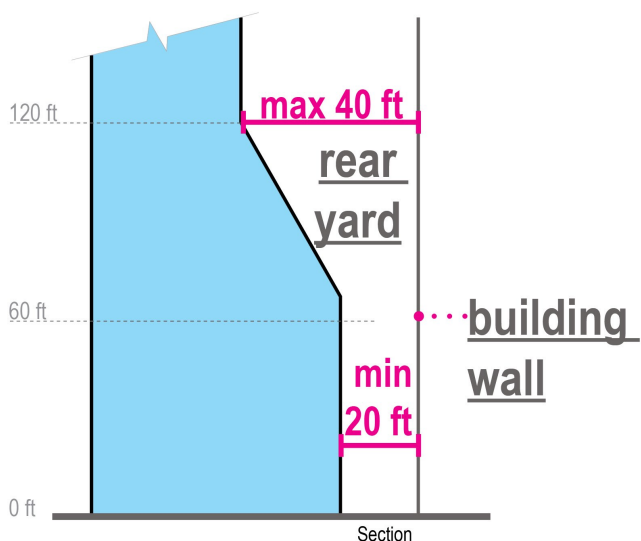
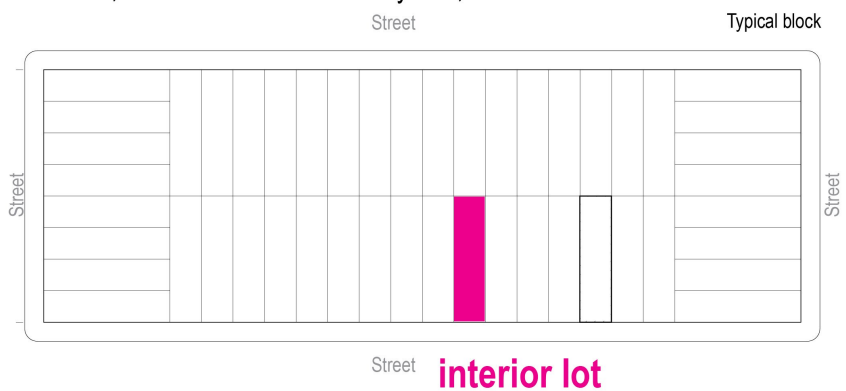
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MDL

C. for interior lots, where the minimum horizontal distance between such windows opening onto a rear yard and any wall opposite such windows on the same or another zoning lot is at least twenty feet and not less than a distance equal to one-third of the total height of such wall above the sill height of such windows; but need not exceed forty feet; or

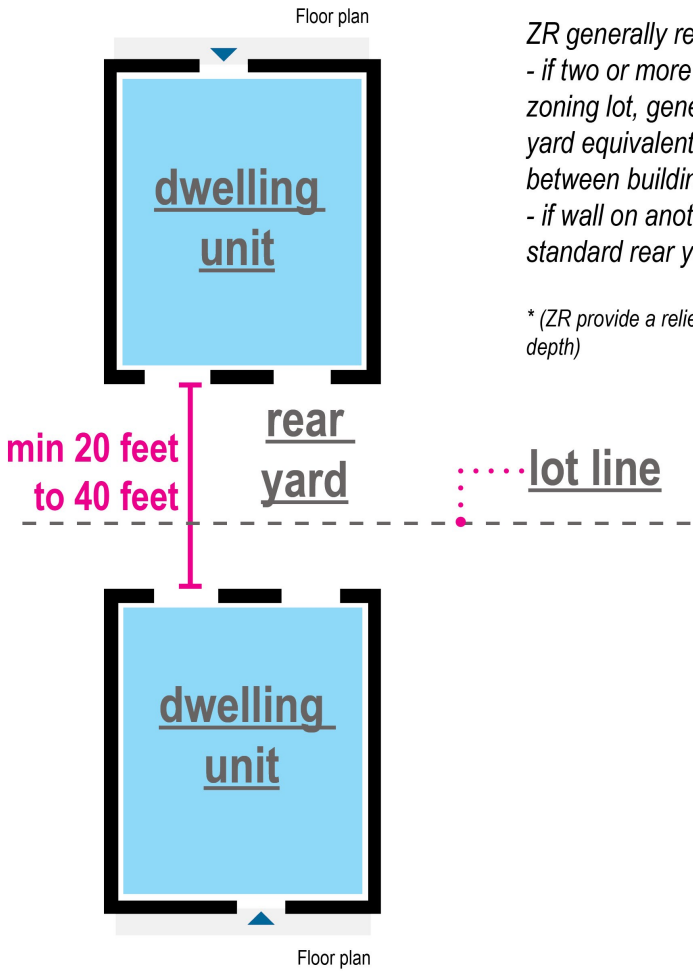


ZONING RESOLUTION

How is it different in ZR?

- ZR generally requires a 30' rear yards*.
- if two or more building on the same zoning lot, generally a 60' distance (rear yard equivalent or minimum distance between buildings) is required.
- if wall on another zoning lot, then standard rear yard rules apply.

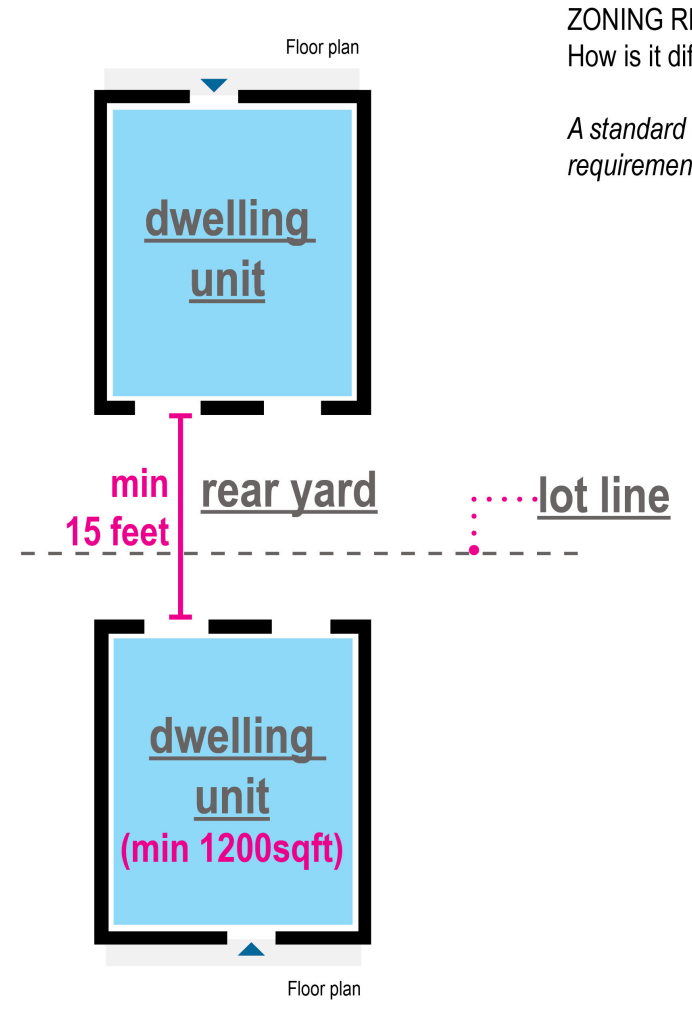
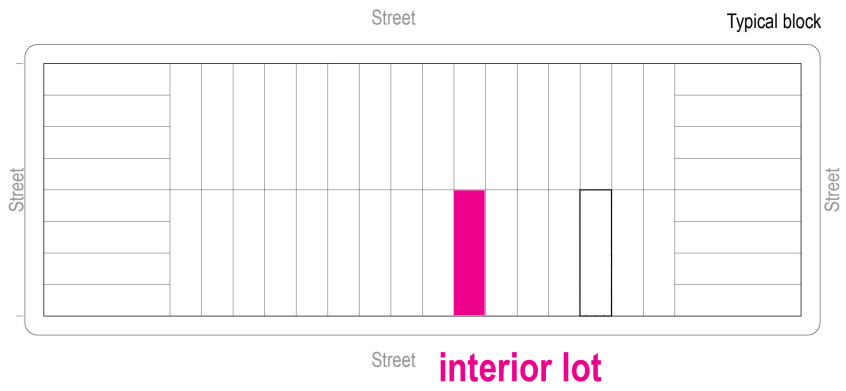
* (ZR provide a relief for shallow lots less than 90' in depth)





MDL

D. for interior lots where the minimum horizontal distance between such windows opening onto a rear yard and any wall opposite such windows on the same or another zoning lot is at least fifteen feet and the minimum size of such dwelling unit is twelve hundred square feet; or



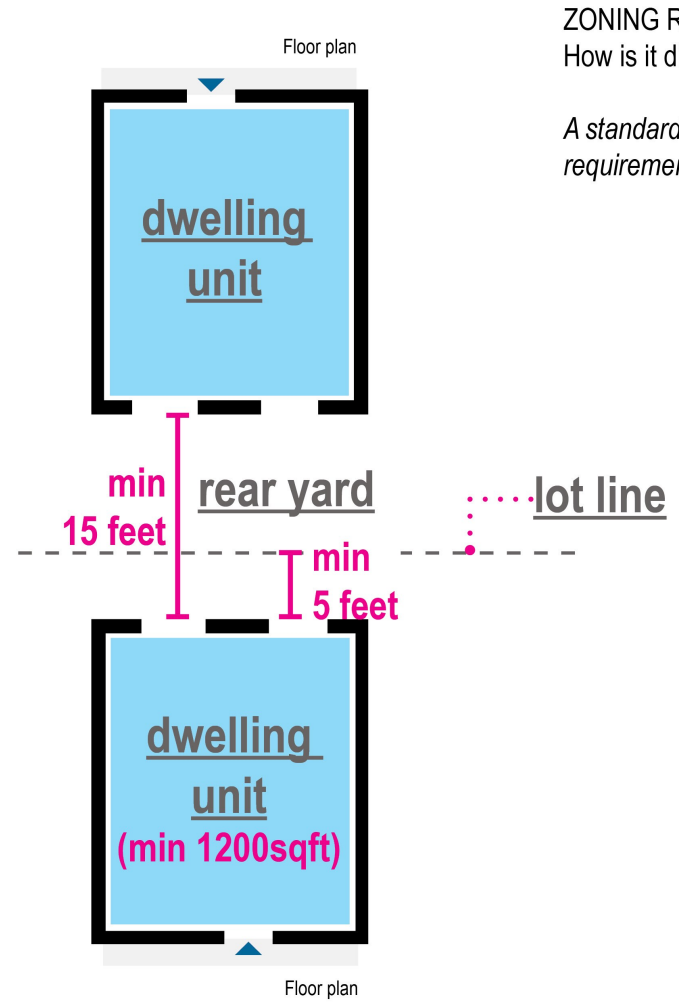
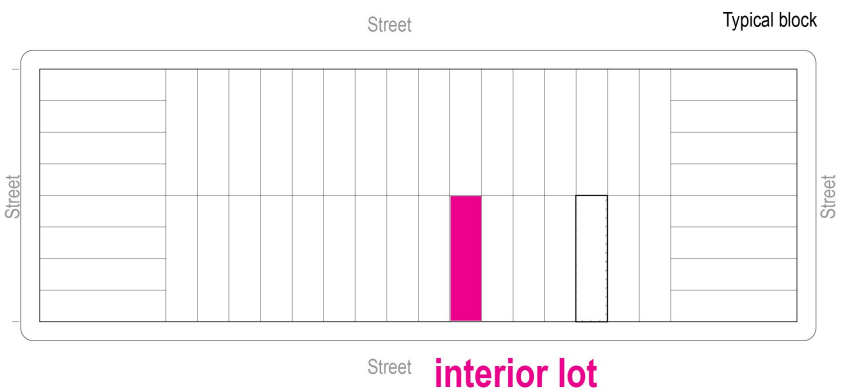
ZONING RESOLUTION
How is it different in ZR?

A standard rear yard requirements (generally 30').



MDL

E. in no event shall the distance between such windows and the rear lot line be less than five feet; and



ZONING RESOLUTION
How is it different in ZR?

A standard rear yard requirements (generally 30').