

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 5

7 December 2022



Task force members



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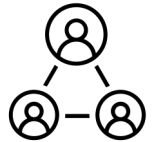


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Today's Objective



Consensus on recommendations

Agenda

1. Welcome, task force reminders (15 mins)
2. Summary of key findings (15 mins)
3. Opportunity and Recommendations (50 mins)
4. Next steps (10 min)

Overall Schedule

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
Mid Dec	<ul style="list-style-type: none">• Publish recommendations

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



Summary of Key Findings

Key Findings: Regulatory

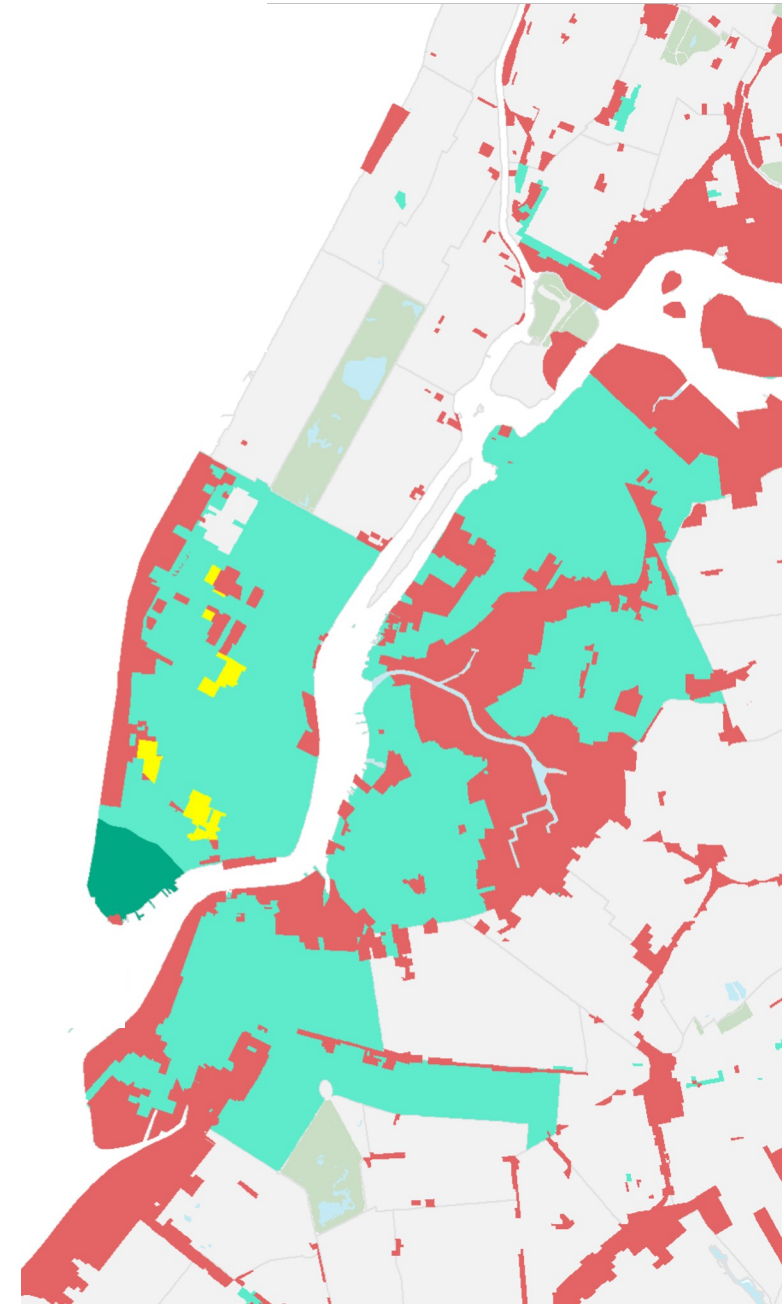
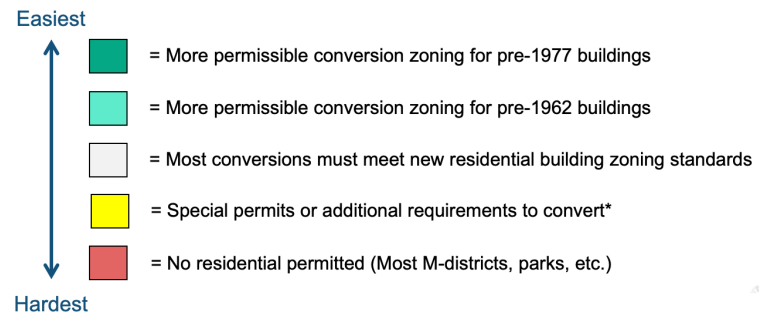
1

Complex and geographically inconsistent regulations have not been comprehensively updated for several decades

2

Outdated regulations limit the market-driven reuse of some office buildings

*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.

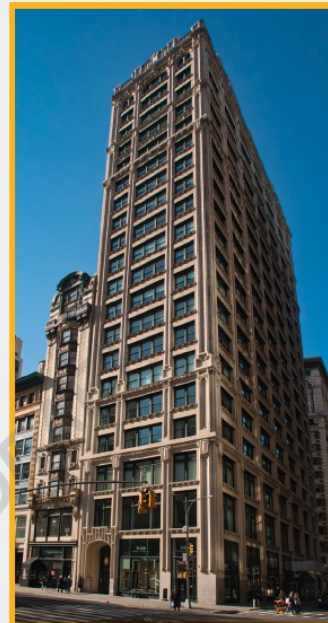


3

Early twentieth-century office buildings with shallower floorplates and individual operable windows are generally the easiest and most attractive to convert

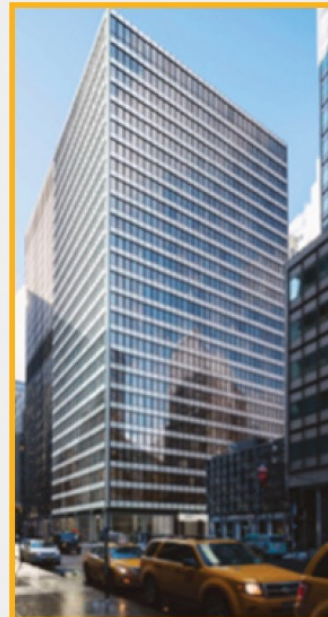
4

A variety of office building types have been converted over the last decade



212 Fifth Avenue

A more typical office-to-residential conversion.



180 Water Street

A more unusual conversion where a large floorplate was made practical for residential purposes by removing the center of the building to create an internal courtyard.

5

Office conversion to residential rentals and condominiums without government subsidies happens

6

Conversion is a niche pathway for office building owners reviewing their options as many physical, regulatory, financial, and practical factors need to align

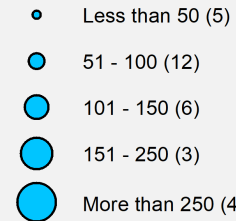
7

Divergence between office and residential demand may stimulate additional market-driven conversions, but current financial conditions present challenges

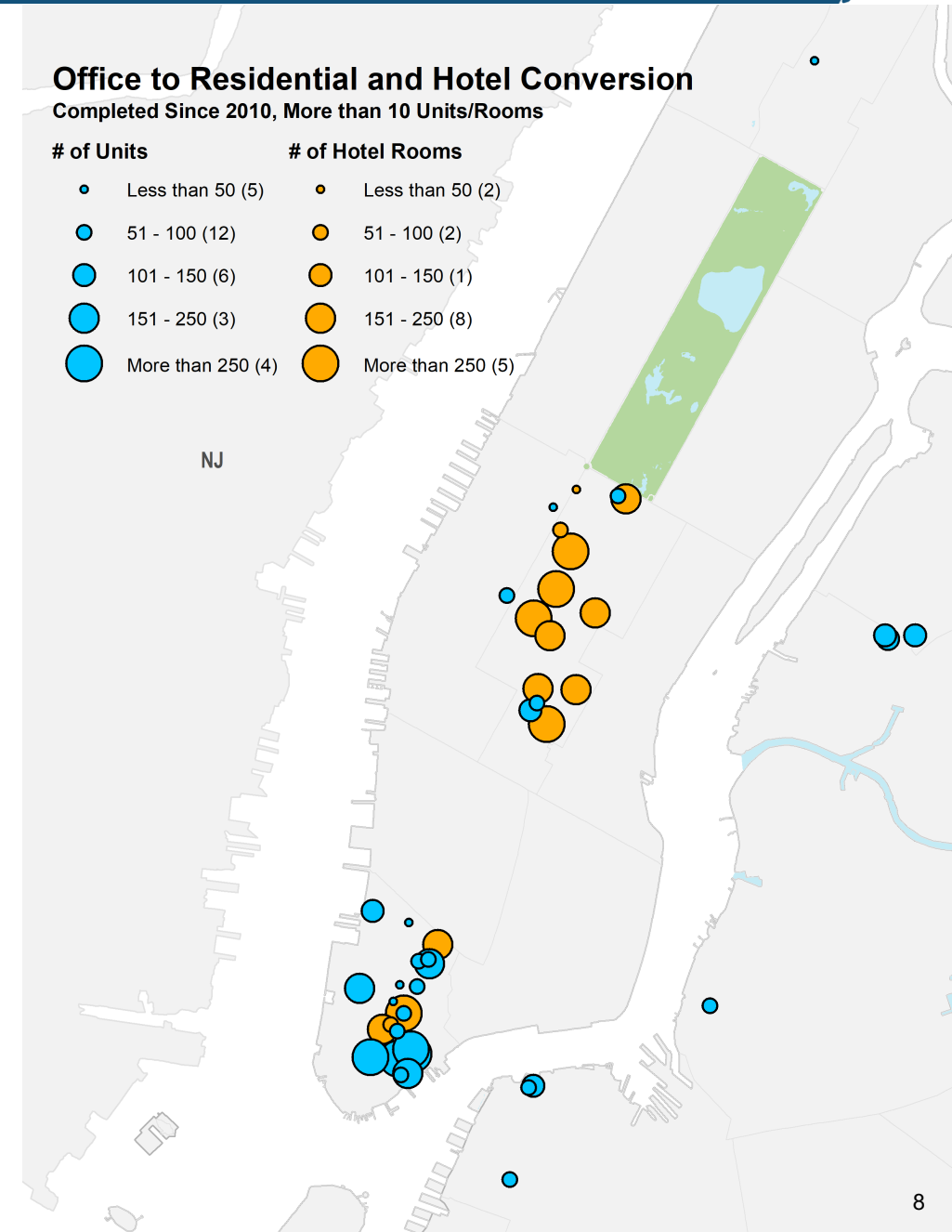
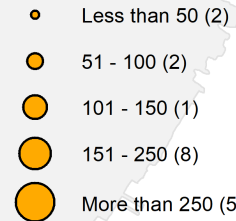
Office to Residential and Hotel Conversion

Completed Since 2010, More than 10 Units/Rooms

of Units



of Hotel Rooms



8

A building's property tax tends to increase after conversion, predominately due to an increase in the building's net operating income post-conversion

9

Office conversions under existing regulations produce market-rate housing

10

A policy to support the adaptive reuse of unviable office space while generating affordable housing would require some government incentive to write down rents to affordable levels



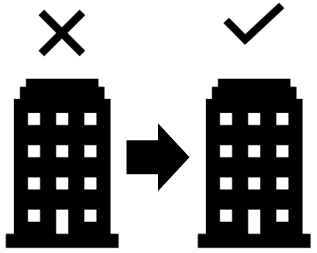
The Opportunity

Opportunity to **relax conversion regulations** to help shore up the office market and boost housing supply

Opportunity to **induce affordable housing** where it is often lacking



Recommendations



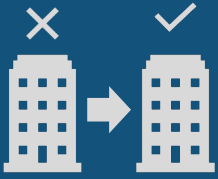
Expand the range of buildings eligible for flexible conversion regulations



Make existing conversion regulations work better



Provide financial incentives for childcare facilities and affordable housing



Expand the range of buildings eligible for flexible conversion regulations

1 Allow 1960s, 1970s, and 1980s office buildings access to the most permissive conversion regulations

2 Expand permissive conversion regulations to all high-intensity office districts

3 Reevaluate centrally located, high-density Midtown zoning districts that do not allow new residential use

1

Allow 1960s, 1970s, and 1980s office buildings access to the most permissive conversion regulations

Existing
building year
thresholds

1961

ZR15-00

1968

MDL 3(11)

1977

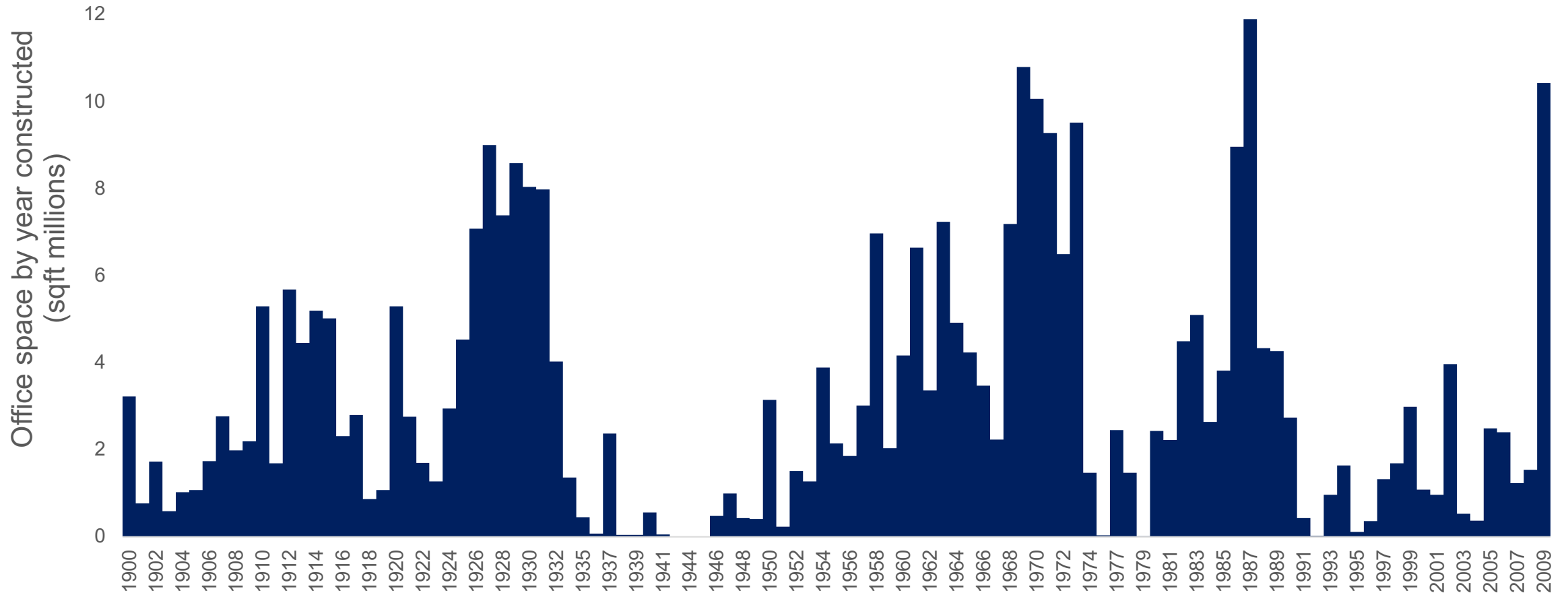
MDL 277

Recommended
building year
threshold

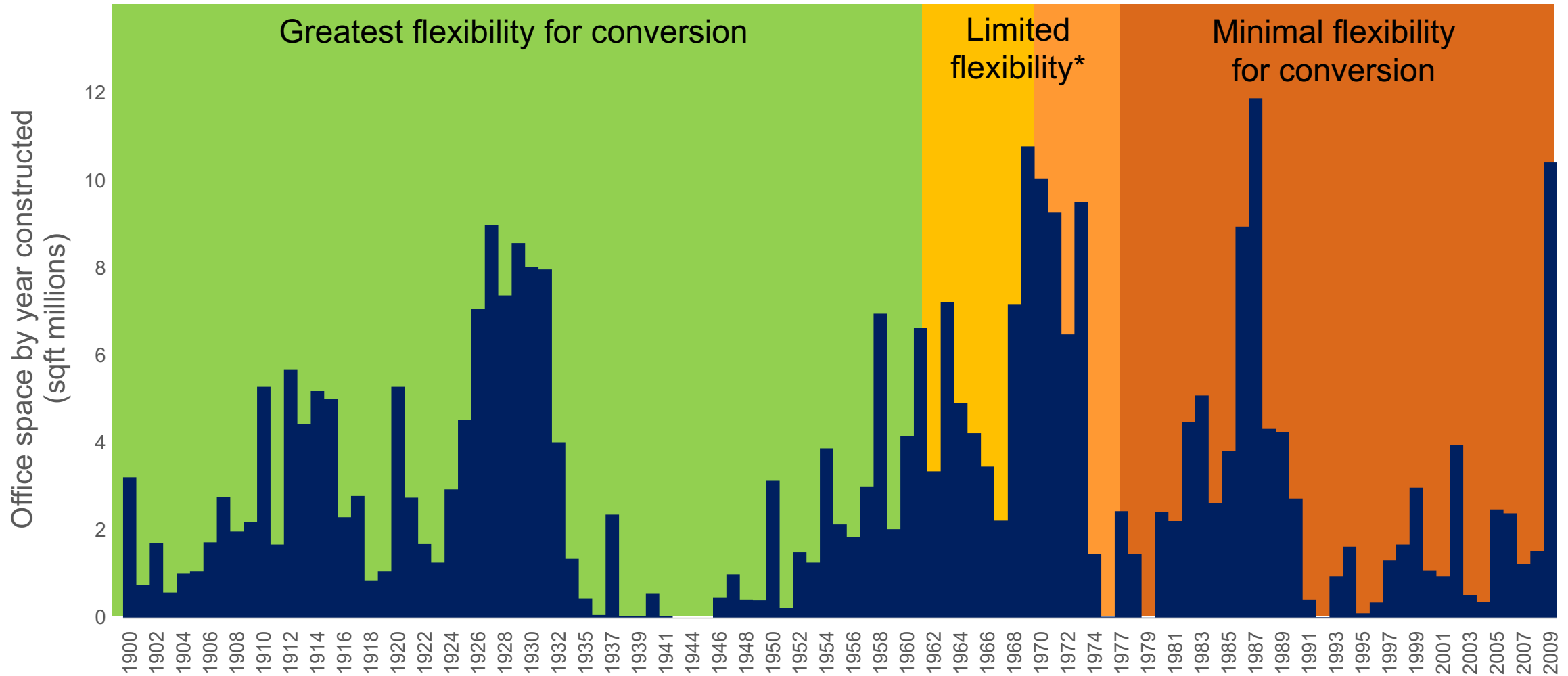
1990

Dec 31st

Office space by year construction (1900 to 2010)



Existing office-to-residential conversion regulations by year office was originally constructed

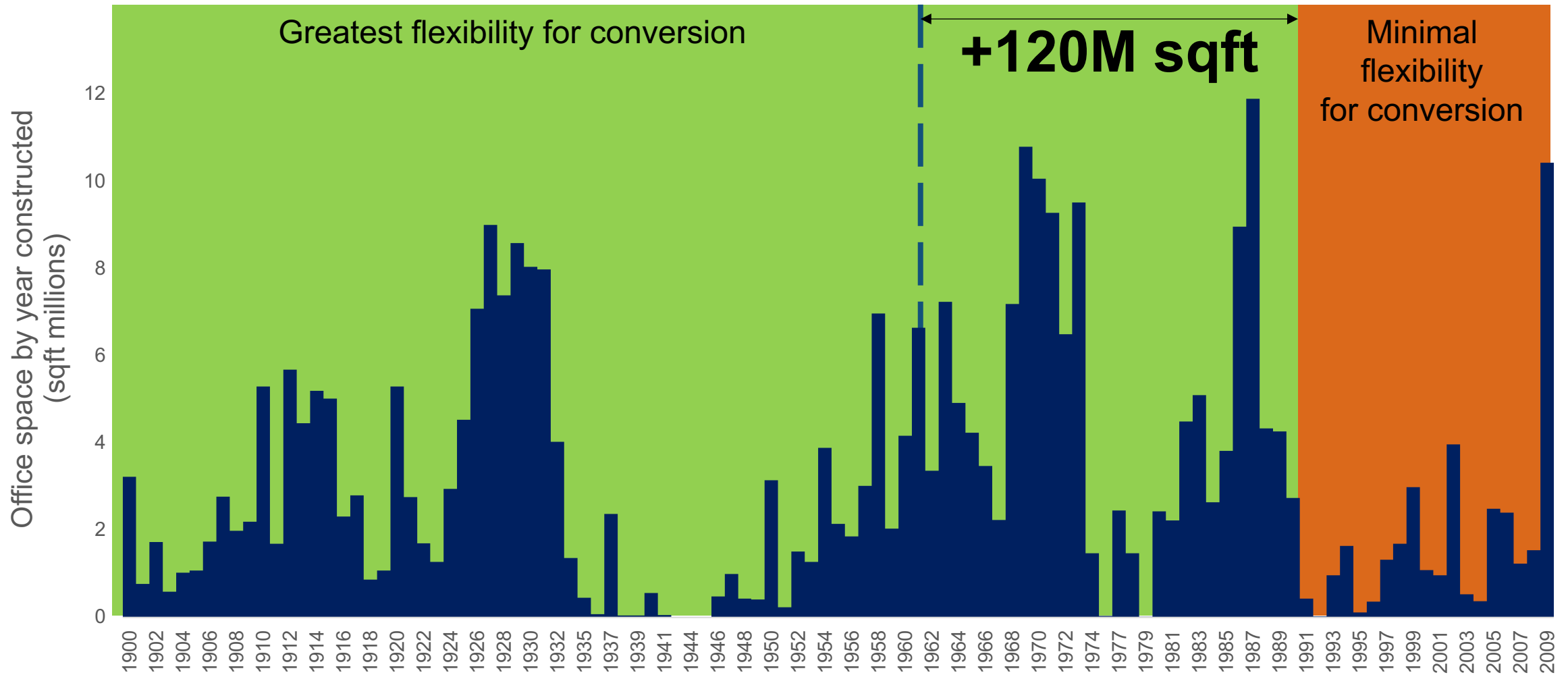


*Most lenient conversion regulations are only accessible to an office building located in FiDi. Additional office buildings permitted after 1969 can only transfer 12 FAR of office space to residential uses.

Source NYCDCP. Note: Chart only includes "office area" located in the Article 1 Chapter 5 geography that is located in a zoning district that allows residential as-of-right. Only include buildings in the following classes: O2 thru O9 and RB/RC

Recommended regulations



Recommended office-to-residential conversion regulations by year office was originally constructed

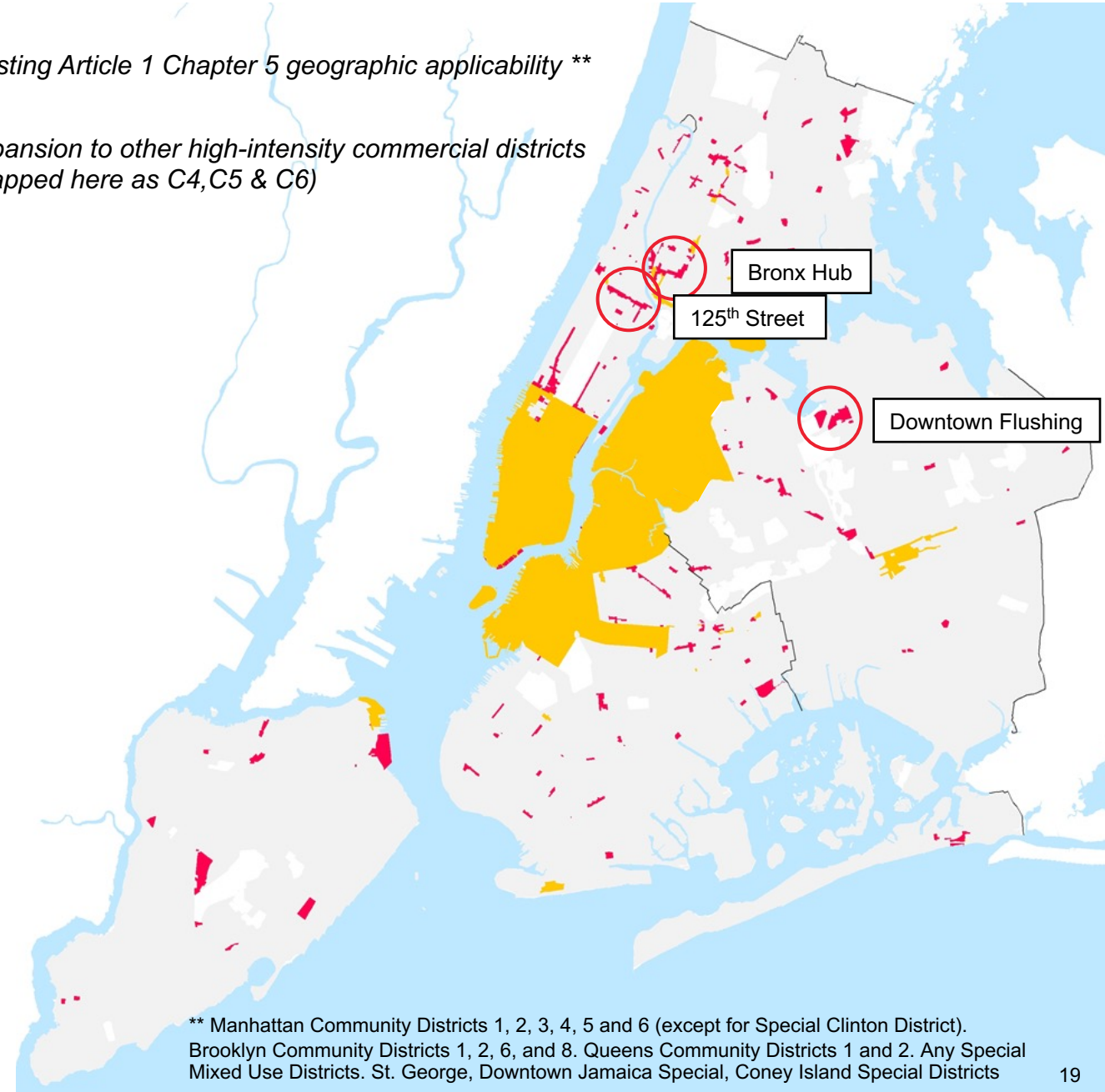


Expand the range of buildings eligible for the most flexible conversion regulations

2

Expand permissive conversion regulations to all high-intensity office districts

-  = Existing Article 1 Chapter 5 geographic applicability **
-  = Expansion to other high-intensity commercial districts (Mapped here as C4, C5 & C6)




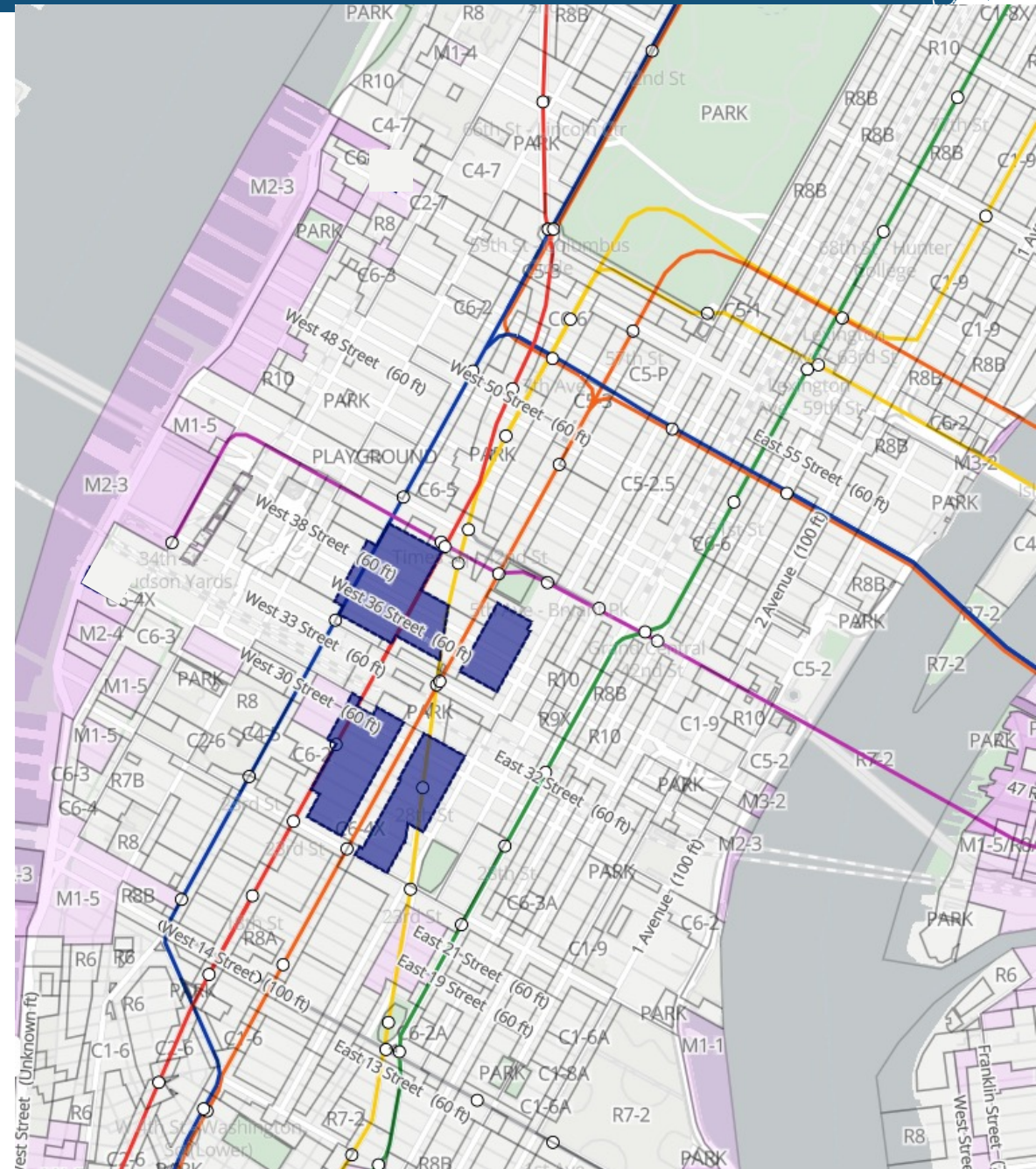
** Manhattan Community Districts 1, 2, 3, 4, 5 and 6 (except for Special Clinton District). Brooklyn Community Districts 1, 2, 6, and 8. Queens Community Districts 1 and 2. Any Special Mixed Use Districts. St. George, Downtown Jamaica Special, Coney Island Special Districts

Expand the range of buildings eligible for the most flexible conversion regulations

3

Reevaluate centrally located, high-density Midtown zoning districts that do not allow new residential use

 = Centrally-located Midtown M-districts that currently don't allow any residential





Make existing conversion regulations work better

4 Permit conversion to supportive housing and other non-“dwelling unit” forms of housing

5 Exempt pre-1991 conversions from the 12 FAR residential cap (Currently only conversion of pre-1969 buildings are exempt)

6 Eliminate parking requirements for conversions (Relevant only in some locations outside Manhattan core)

7 Modernize conversion-specific roof space requirements (Outdated & inconsistent w/ regulations for new construction)

8 Update conversion-specific unit size requirements (Let the existing codes specify minimum standards)

9 Clarify ambiguous language in MDL



Provide financial incentives for affordable housing and childcare facilities


10


Explore a tax incentive to support mixed-income housing within conversions


11


Roll out property tax abatement to incentivize property owners to retrofit space to accommodate childcare centers






 = Most impactful changes

 = State change only







 = State and Zoning changes

 = Zoning change only


Significantly expand the number of buildings eligible for the most flexible conversion regulations:

1. Allow 1960s, 1970s, and 1980s office buildings access to the most permissive conversion regulations 
2. Expand permissive conversion regulations to all high-intensity office districts 
3. Reevaluate centrally located, high-density Midtown zoning districts that do not allow new residential use 

Make the regulations we have work better:

4. Permit conversion to supportive housing and other non-“dwelling unit” forms of housing 
5. Exempt all conversions from the 12 FAR residential cap (currently only conversion of pre-1969 buildings are exempt) 
6. Eliminate parking requirements for conversions (relevant only in some locations outside Manhattan core) 
7. Modernize conversion-specific outdoor roof space requirements (outdated and inconsistent with regulations for new construction) 
8. Update conversion-specific unit size requirements (let existing Codes specify minimum standards) 
9. Clarify ambiguous language in MDL 

Financially incentivize affordable housing and childcare

10. Implement new property tax abatement to incentivize property owners to retrofit space to accommodate childcare centers
11. Explore a tax incentive to support mixed-income housing within conversions 

Step 1 – *Publish Task Force report (late 2022)*

Step 2 – *Roll out childcare center retrofit tax incentive (early 2023)*

Step 3 – *Advocate for statutory changes in the 2023 NY State legislative session (mid-2023)*

Step 4 – *Any other necessary regulatory changes implemented through a City zoning text amendment (2024)*

Near-Term Schedule

- 12/7 – Recommendation workshop
- 12/7 – Full report circulated for comment
- 12/8 – Any substantive issues highlighted to Chair/Doug
- 12/10 – Other minor report edits sent to Doug
- 12/12 – Circulation of draft final copy
- 12/14 – Likely task force report publication
- 12/14 – Likely release of New New York Panel report

Thank You

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