LR Item 3
Project Description

1. INTRODUCTION

The New York City Department of City Planning (DCP) proposes a zoning map amendment and a zoning text amendment (the "Proposed Actions") to the New York City Zoning Resolution (ZR) that would foster a vibrant, mixed-use Midtown South neighborhood in the heart of Manhattan. The Proposed Actions would encourage the creation of critically needed housing in both new residential development and conversions, support critical commercial activity, respond to changing conditions in the wake of the COVID-19 pandemic and shifting work patterns, and affirm the area's architectural legacy and industrial character.

The Proposed Actions would affect a 42-block, approximately 141-acre area of Manhattan's Midtown South (the "Affected Area") across Manhattan Community Boards 4 and 5. The Affected Area is roughly bounded by 40th Street to the north, Fifth Avenue to the east, 23rd Street to the south, and Ninth Avenue to the west. The Affected Area is composed of four non-contiguous M1-6 and M1-6D zoning districts (the "Rezoning Area") as well as Subdistrict A-2 of the Special Garment Center District. Most of the Affected Area (all or portions of 35 blocks) is in Manhattan Community District 5, while seven full or partial blocks are in Manhattan Community District 4.

The Proposed Actions would help foster a dynamic mixed-use neighborhood through four key components. First, they would allow residential uses as of right and require permanently affordable housing in new development, conversions, and expansions through the establishment of a Mandatory Inclusionary Housing (MIH) area. This proposal would further the City's equity and fair housing goals as articulated in *Housing New York* (2014), *OneNYC* (2015), and *Where We Live NYC* (2020) by creating housing for low, moderate, and middle-income New Yorkers. Over a 10-year horizon, the Proposed Actions are projected to facilitate the development of approximately 9,676 dwelling units (DU), including 1,940 to 2,890 permanently affordable homes. Second, the Proposed Actions would modernize outdated zoning provisions and reduce existing zoning barriers that make it difficult to create a balanced mix of residential, commercial, and manufacturing uses. Encouraging a wider range of compatible commercial, community facility, and light manufacturing uses would promote economic recovery, resilience, and growth oriented towards a 21st-century economy. Third, the Proposed Actions would establish appropriate FAR and bulk regulations to incentivize mixed-use buildings and ensure new development blends into the surrounding built context. Finally, the Proposed Actions would promote the adaptive reuse of existing commercial buildings by eliminating nonresidential floor area preservation requirements, where applicable.

The Proposed Actions include:

Zoning Map Amendment: The Proposed Actions would rezone portions of existing M1-6 and M1-6D manufacturing districts with high-density paired manufacturing/residential mixed-use districts, establish a new Special Midtown South Mixed Use District (MSX) coextensive with the Rezoning Area, and make additional changes to the boundaries of several special purpose districts that overlap with the Rezoning Area.

Zoning Text Amendment: The Proposed Actions would amend the ZR to establish regulations for

the proposed Special Midtown South Mixed Use District (MSX), amend Appendix F of the ZR to apply the MIH program to the Rezoning Area, and modify text in the Special Garment Center District, Special Midtown District, and Special Hudson Yards District, among other changes, which are described in greater detail below.

2. BACKGROUND

Study Area History

Midtown South's history can be traced back to the late 18th century when it was part of the sparsely populated outskirts of New York City. The area that would become Midtown South was characterized by open farmland, small villages, and estates owned by the city's elite. In the early 19th century, the district gradually urbanized as the city expanded northward and the neighborhood's population grew. The Commissioners' Plan of 1811, which defined the Manhattan street grid from above Houston Street and below 155th Street, had a profound impact on Midtown South's development. New streets and avenues like Broadway, Sixth Avenue (originally the Eastern Post Road), and Eighth Avenue (originally Central Avenue) improved area access and fueled rapid real estate development.

Manhattan's expansion spurred significant population growth and economic diversification in Midtown South. By the mid-19th century, the area immediately to the north and west of Madison Square Park between West 23rd and West 34th streets was the city's social nexus and home to some of New York's wealthiest residents. They patronized the grand hotels and opera houses that lined Fifth Avenue and Broadway, including notable establishments like the now-landmarked Hotel Gilsey and the Manhattan Opera House. The southeastern part of the Affected Area was one of Manhattan's most fashionable shopping districts, populated by large department and dry goods stores. Farther west, between West 23rd and West 42nd streets, inexpensive hotels, vaudeville theaters, gambling houses, saloons, brothels, and other seedy venues defined the Tenderloin, a working-class neighborhood with a vice-ridden reputation. The area's name is believed to originate from the practice of police officers accepting bribes from illegal businesses, which allowed officers to afford pricier cuts of meat like tenderloin steak.

In the latter part of the 19th century, the neighborhood became a hub for industry, including printing, publishing, and wholesaling. Sheet music publishers predominated on "Tin Pan Alley," a nod to the sounds of piano music on West 28th Street between Broadway and Sixth Avenue. By the 1890s, the city's flower wholesalers, which previously congregated along the Hudson River waterfront to meet arriving ships from Long Island farms, had moved over to the blocks between Sixth and Seventh avenues from West 26th to West 29th streets. In this burgeoning Flower District, sellers gained proximity to the elegant residences, hotels, and fashionable department stores of Fifth Avenue's Ladies' Mile.

The opening of Pennsylvania Station at 34th Street and Seventh Avenue in 1910 and Grand Central Terminal in 1913 dramatically accelerated the transformation of the neighborhood from a primarily entertainment, shopping, and residential district into the city's premier manufacturing zone. In the early 20th century, New York City's entertainment center of gravity moved north to Times Square. Small garment manufacturers subsequently moved from cramped tenements in Lower Manhattan into lofts and showrooms near Madison Square. At the same time, improved rapid transit service

along Broadway and the major avenues made it easier for thousands of workers, particularly new immigrants from Europe to access employment in the garment industry. An influential business trade group, the Fifth Avenue Association, objected to the encroachment of industrial uses and immigrant laborers into the tony district and endeavored to push nascent garment businesses west into the Tenderloin. By the 1920s, the area from Sixth to Ninth avenues between West 30th and West 42nd streets evolved into the Garment District, with hundreds of manufacturing lofts, design showrooms, and offices. The Fur District, centered on West 25th and West 31st streets between Sixth and Eighth avenues, employed highly skilled fur designers and workers.

In the years immediately before World War II, garment manufacturing, wholesale, retail, and related trades became New York's largest industry by employment and commercial output. The economic strength of the apparel sector stimulated the development boom around mid- and high-rise mercantile lofts that could accommodate all aspects of the industry, including office space, showrooms, and manufacturing facilities.

After World War II, however, changes in transportation and spatial needs, as well as broader macroeconomic shifts like automation and a shift to production in countries with lower labor costs, significantly reduced the number of manufacturing businesses, particularly in the garment sector. Between 1958 and 1977, the number of garment manufacturing firms in Manhattan declined by about half—from approximately 10,000 to a little over 5,000. During this period, the geographic extent of the Garment District shrunk as well. (Today, the center of the garment industry is generally limited to the Northwest Quadrant of the Rezoning Area.)

Fearing this decline in industrial activity, which for decades had provided union-wage jobs and a steppingstone to the middle class for hundreds of thousands of workers, the City initiated a series of protectionist land use policies to stabilize the manufacturing sector and property tax base. In 1961, the Northeast Quadrant of the Affected Area - roughly the midblocks from West 35th to West 39th streets between Fifth and Sixth avenues - was zoned C6-4, a high-density commercial zoning designation that reflected its historically mixed-use character near Midtown East's office market and Fifth Avenue's concentration of retail, hospitality, and residential uses. Nonetheless, this quadrant contained a significant amount of light manufacturing, wholesale, warehousing, and office uses of considerable economic value to the city. By the 1970s, increasing residential demand south of 59th Street, coupled with extremely low vacancy rates for industrial loft spaces, prompted policymakers to protect manufacturing businesses in industrial areas from residential encroachment. In February 1981, the City Planning Commission (CPC) approved a zoning map amendment (C 800459 ZMM) and a zoning text amendment (N 800458 ZRM) to rezone the Garment Center East from C6-4 to C6-4M, a mixed-use district that limited as-of-right residential development and incentivized the preservation of manufacturing space. However, the CPC determined that nonresidential uses deserved a higher level of protection than the C6-4M could provide. Only a few months later, the CPC approved a proposal (C 810124 ZMM, N 810407 ZRM) to rezone the same geography to M1-6, thereby prohibiting all new residential uses.

Although the heart of the Garment District, which roughly extended from West 35th to West 40th streets between Broadway and Ninth Avenue, was not under particular threat from residential encroachment, policymakers feared that the conversion of mercantile lofts to offices might jeopardize the long-term viability of apparel production in the district, which was zoned M1-6 in

1961. In the early 1980s, as the area around Times Square emerged as an attractive office market, DCP, the Office for Economic Development, and the Public Development Corporation studied the potential impact of the Times Square redevelopment on the garment industry, including the possible loss of industrial loft space and manufacturing jobs. Market research showed that approximately 3.5 msf of garment-related production activity—more than 40 percent of the manufacturing loft inventory existing at the time—would be threatened if the existing M1-6 zoning, which allowed for unrestricted industrial to office conversions, remained unchanged.

Thus, in 1987, the CPC established the Special Garment Center District (C 870242 ZMM, N 870241 ZRM) to insulate garment manufacturers from market competition for loft space. In the midblocks between Broadway and Ninth Avenue, which were perceived as particularly vulnerable to displacement pressures, the Special Garment Center District regulations allowed for conversion to office use only by preserving an equal amount of comparable floor area for retail, wholesale, showroom, warehousing, or industrial uses. The zoning on the avenues remained unchanged, and office use remained as of right. Since the enactment of the special district, approximately 180,000 feet of space has been preserved for manufacturing or warehousing uses, which comprises a little more than two percent of the manufacturing floor area in the Special Garment Center District.

In the early 2000s, as the city sought to recover from the post-9/11 economic recession, Mayor Michael Bloomberg's administration pursued an aggressive strategy of encouraging new commercial development in Manhattan's central business districts to recapture office jobs that migrated to office parks and other low-density suburban campuses in the region beginning in the 1970s. As part of the 2005 Hudson Yards Rezoning (N 040500(A) ZRM, et al.), the City rezoned the midblocks from West 35th to West 39th streets between Eighth and Ninth avenues from M1-5 and M1-6 to C6-4M and modified the Special Garment Center District regulations to encourage contextual loft-like building envelopes. The rezoning also established an Inclusionary Housing (IH) area to incentivize the creation of income-restricted affordable housing. The new C6-4M district regulations allowed for new residential development and commercial-to-residential conversions on sites with less than 70,000 square feet of floor area as of right. DCP's analysis found that most industrial uses located in the larger loft buildings, suggesting that allowing residential uses as of right on smaller sites would pose little displacement risk to existing manufacturing firms. Despite the rezoning housing goals, most new development resulted in hotels. In pursuing this rezoning, the City recognized the diminishing need for garment industry space as well as the weak development potential for the area's underutilized parcels due to zoning that encouraged noncontextual manufacturing buildings.

A similar rationale was used to justify the 2011 M1-5 to M1-6D rezoning of the midblocks bounded by West 28th Street, Eighth Avenue, West 30th Street, and Seventh Avenue in the Southwest Quadrant of the Affected Area (C 100063 ZMM, N 110285 ZRY). Once part of the Fur District, many of the fur-related businesses had left and those that remained shifted from production to sales. Like the C6-4M district, the M1-6D district sought to protect the economically important Class B and C office market that was disproportionately concentrated on the larger sites. Under the M1-6D rules, residential uses are allowed as of right on lots with less than 40,000 square feet of floor area, while lots with 40,000 square feet or more of floor area are required to preserve the amount of nonresidential floor area to construct any new residential floor area. Additionally, the rezoning applied contextual bulk rules so that new development matched the prewar character of the area,

introduced restrictions on new, large hotel development, and mapped an IH area that has resulted in the production of hundreds of income-restricted affordable homes. The rezoning recognized that the legacy M1-5 manufacturing zoning had stymied new investment, particularly new housing. It also acknowledged that reforms could complement existing uses, enhance the business environment by enlivening streets and bringing in new retail services, and create a more robust mixed-use community.

By 2016, on the eve of the Special Garment Center District's 30th anniversary, the goals of the special district, which include providing opportunities for apparel production, proved difficult to meet. In the Garment Center, apparel manufacturing employment declined to approximately 4,400 employees—an approximately 75 percent decline from 1987. Similarly, apparel manufacturing space in the special district shrunk by almost 93 percent over the same 30-year period to about 1.4 msf. The statistics for the midblock preservation areas, which limited existing buildings to retail, wholesale showroom, warehousing, and industrial uses, were even more bleak: apparel manufacturing jobs had declined by 90 percent. These trends reflected the downward trajectory of the sector throughout Midtown, the five boroughs, and the country, which accelerated in the 1990s and early 2000s as a result of globalization and automation. Many of the remaining manufacturing firms resisted closure by reducing their employee footprint and adopting new technologies.

In subsequent years, unused manufacturing space was repurposed, not abandoned. Other commercial businesses and nonprofits largely replaced the thousands of lost apparel manufacturing sector jobs. Despite zoning that limited office use, the Special Garment Center District saw a 56 percent increase in jobs between 2000 and 2016, most of which were office-based. In 2018, the City passed a text amendment to the Special Garment Center District (N 180373 ZRM) to better align zoning with the area's land use and employment trends. The changes lifted restrictions on the conversion of manufacturing and warehousing uses to office uses, created new contextual bulk envelopes for the M1-6-zoned areas, and established a CPC special permit for transient hotels. In tandem with these zoning reforms, the City also developed a package of incentives and subsidies to support investments in the broader apparel production industry to support what remained of a waning—yet historically important—source of jobs. Today, while the Rezoning Area contains a mere three percent of New York City's total jobs, it boasts almost a quarter of the city's fashion manufacturing and wholesale jobs.

In addition to its central location accessible by 15 subway lines and regional transit, businesses and nonprofit organizations are attracted to the Rezoning Area because of lower rents compared to other central business district submarkets. With a median building age of 103 years, almost 90 percent of the buildings in the Rezoning Area were built prior to 1961. Many of these buildings, typically versatile lofts or older purpose-built offices, generally have lower floor-to-ceiling heights, smaller floorplates, and fewer amenities than the newer Class A office space. In fact, 99 percent of the office space in the Rezoning Area is classified as either Class B or Class C according to CoStar. Largely due to the age and condition of the building stock, asking rents are lower than the Manhattan average of $55 per square foot and range from a high of $52 per square foot in the Southeast Quadrant to a low of $39 per square foot in the Northwest Quadrant. Because of its desirable location, bargain rents, and favorable zoning, the Rezoning Area is both a gateway for small, growing businesses to gain a foothold in Manhattan to establish themselves, grow and move on, but also a refuge for nonprofits and firms in vulnerable industries that have fewer options where

they can locate affordably.

These favorable conditions nourish new business types, but job growth is soft and unevenly distributed in the Rezoning Area's traditional sectors. Employment in non-fashion manufacturing and wholesale has remained relatively steady over the last 20 years, with 6,400 jobs, 84 percent of which are in wholesale. However, there are only about 2,300 fashion manufacturing jobs (less than two percent of area jobs) remaining in the Rezoning Area, an almost 80 percent decline in the sector over the preceding two decades. This trend is not consistent across the Rezoning Area's four quadrants, either. While manufacturing has declined in the Northeast, Southeast, and Southwest Quadrants, in the Northwest Quadrant, wholesale jobs have grown by 24 percent, and manufacturing jobs have grown by 29 percent over the last 20 years. Nevertheless, overall manufacturing growth has not offset the decline in fashion manufacturing.

Although Rezoning Area businesses have largely recovered the jobs lost during the COVID-19 pandemic, many commercial landlords feel strained by new remote work policies have put a strain on as vacancy and sublease rates continue to rise. Reflecting a growing trend of fewer in-office days for workers and more flexible work environments, Metropolitan Transportation Authority (MTA) turnstile data for the subway stations in and around the Affected Area show that ridership is only at two-thirds of the pre-pandemic average. As a result, the office market is experiencing heightened commercial vacancy rates, averaging 17.5 percent citywide and representing approximately 100 msf of available office space. These vacancy rates are nearly double the pre-COVID rates and are anticipated to remain elevated as the office supply responds to structural changes to workplace cultures and office space demand.

The Rezoning Area's commercial availability rate of more than 19 percent indicates a softer office market that will struggle to attract and retain tenants. Compounding this challenge, many businesses are taking advantage of the downturn by moving to higher quality offices as a strategy for encouraging employees to work from the office and equipping them to be their most productive when there. This "flight to quality" phenomenon represents an existential threat to the Rezoning Area where Class A office properties are almost nonexistent. Projections indicate that in the coming years, as long-term leases expire, office vacancies will continue to grow and are unlikely to return to the 10 percent average pre-Covid rate in the foreseeable future.

The Rezoning Area has experienced a renaissance in recent years and evolved into a more diverse neighborhood compared to the economic nadir of the 1970s and 1980s when New York City was hemorrhaging jobs across all sectors. Today, the Rezoning Area is home to approximately 7,000 businesses across a wide range of industries employing over 135,000 people—a comparable job density to what is typically considered the core Midtown office submarket to the north. At over 23 percent, job growth across the Rezoning Area has outpaced the Manhattan (11 percent), New York City (19 percent), and U.S. (17 percent) economies over the last decade. The largest share of jobs across the Rezoning Area, about one-third, is in professional and business services; this sector represents the plurality of jobs in all quadrants except for the southeast area near Madison Square Park's upscale retail market, where the highest share of jobs is in leisure and hospitality. This trend is driven by outsized gains in emerging technology and creative industries, which have seen an explosive 60 percent growth rate over the last decade. Complementing the established fashion-related businesses, the Northwest Quadrant's share of jobs in design, media, and the arts has

almost doubled over the last 10 years. The tech sector, which includes software, web platform, and computing services as well as nano and biotechnology development, has grown by 35 percent overall in the last decade, but has seen a particularly rapid acceleration (73 percent) in the southeast—a popular cluster for startups, and where much of the area's trophy office space is located.

Community Engagement and Interagency Participation

The Midtown South Mixed-Use planning process began in earnest in 2022 in response to the COVID-19 pandemic, which exacerbated household wealth inequality and fundamentally reshaped commuting and work patterns. As New York City slowly recovered from the worst effects of the pandemic, including lower foot traffic, growing public safety concerns, and increased retail and office vacancies, it became clear that certain neighborhoods were better positioned to rebound from the pandemic's economic shocks, while others, including Midtown South, languished. Midtown South suffered from fewer employees traveling to the workplace as well as a shortage of residents, which led to the perception that the neighborhood was becoming a ghost town. Concerned for their neighborhood's future, local stakeholders, asked the City to study and consider land use or policy changes that would help reinvigorate the area.

At the citywide level, DCP was tasked by Local Law 43 with investigating how a more liberalized office-to-residential conversion regulatory framework might expand opportunities for housing production and address the growing glut of Class B and C office space—a liability that became particularly acute in the wake of the pandemic. That effort culminated in the January 2023 Office Adaptive Reuse Study, which called for 11 legal and regulatory reforms that would increase opportunities for productive conversions and help ensure the city's central business districts remain vibrant, adaptable, and successful over the long term.

Given the Rezoning Area's manufacturing zoning and abundance of outdated office buildings, a more targeted look at Midtown South seemed appropriate. In early 2023, with support from the Manhattan Borough President and local city councilmembers, DCP began the planning process' baseline data gathering and analysis phase to set the stage for the community engagement efforts to follow. The initial findings of the analysis provided data that confirmed the sustained decline of the manufacturing sector, the growth of a diverse office-based economy, consistently high commercial vacancy rates, an outsized potential for office-to-residential conversions, and a mismatch between the demand for new housing and a zoning regime that largely prohibits housing development as of right. Concurrently, DCP conducted initial outreach with key stakeholders, including local BIDs and interested city agencies, to identify policy or planning areas that might warrant closer attention or a greater degree of sensitivity.

In October 2023, DCP, alongside local elected officials, hosted a virtual public kickoff meeting, which initiated the months-long stakeholder engagement process. These conversations examined key land use and zoning issues, made public the results of the data collection and analysis, and sought community input to develop strategies to help foster vibrant, 24/7 mixed-use neighborhoods across the Rezoning Area. The stakeholder engagement process consisted of multiple phases and touchpoints. The first phase, proposal development, was anchored by a series of curated roundtables attended by practitioners, experts, and those with first-hand knowledge of five topic areas: housing, business, existing residents, social services, and real estate. Rather than

maximize attendance, the roundtables, with invitation-only participation and facilitated discussions, were designed to dig deep into issues affecting the community. Proposal development also consisted of a robust digital engagement effort which was centered on a website where the public could learn more about the study and receive updates on the process. Virtual public office hours staffed by members of the Midtown South planning team also offered opportunities for anyone to ask questions and provide feedback on the plan. The proposal development phase culminated in the publication of a community priorities document that synthesized the comments and discussions from the stakeholder engagement process and laid out a preliminary zoning proposal, among other recommendations.

Stakeholder recommendations were the first foundational milestone in the MSMX plan. These were incorporated throughout the planning process from the March 2024 release of the initial EAS/DSOW through the current precertification phase. The following month, amid the MSMX scoping meeting and the drafting of the preliminary zoning text, the New York State legislature eliminated a six-decade cap on residential floor area, allowing the Proposed Actions to include FARs greater than 12 for residential buildings. In response to stakeholders' desire for more housing, MSMX plan would be the first neighborhood rezoning to utilize the new rules, with districts that could accommodate residential development between 15 and 18 FAR.

Vision and Goals

Building on these conversations, as well as broader agency policy goals around affordable housing, economic development, and public realm improvements, DCP established a set of planning goals that identify a long-term vision for a balanced, coordinated approach to neighborhood planning. These goals prioritize residential growth, cultivate established and emerging industries, and rejuvenate the public realm while respecting the built legacy of one of Manhattan's most distinctive neighborhoods. The vision for the future of Midtown South recognizes the area's varied context and aims to meet multiple planning objectives. As the City proactively plans for the neighborhood's future, the plan also seeks to meet citywide goals of increasing housing production, including affordable housing, and directing growth to appropriate locations.

Below is a synopsis of the overall vision for the neighborhood as well as specific land use recommendations:

Create opportunities for housing, including affordable housing, by replacing outdated manufacturing districts with mixed-use regulations

While Midtown South's industrial history manifests in its distinctive loft-style buildings, most manufacturing businesses have departed the area, lured by cheaper rents, lower labor costs, and newer facilities in the outer boroughs and beyond. While some manufacturing uses remain in the neighborhood today, the existing manufacturing zoning, which prohibits housing production, is incongruous with intense need for housing that far exceeds the number of available units. Housing is being built in many neighborhoods to address the citywide shortage, but areas like Midtown South—with its exceptional proximity to jobs and amenities—are especially suited for zoning changes that would facilitate housing development, including affordable housing, while still allowing for commercial and manufacturing uses.

Compared to surrounding neighborhoods like Chelsea, West Midtown, Flatiron, and Murray Hill, the Rezoning Area has far too few housing units. Despite its central location in the largest and densest U.S. city, Midtown South's manufacturing zoning generally doesn't permit residential outside of the two-block M1-6D district in the southwest. That area, which was rezoned in 2012, contains over a third of the plan area's 2,300 housing units, including several hundred affordable homes built under the Voluntary Inclusionary Housing (VIH) program. (In contrast, there are 74,000 units in a ten-minute radius outside the Rezoning Area.) The lopsided distribution of housing in and beyond the Rezoning Area clearly illustrates the demand for housing in Midtown South. The housing that does exist in the M1-6 zoning districts was either built prior to the 1961 Zoning Resolution, permitted though the Loft Law, or allowed via other discretionary actions like CPC special permits.

The area's lack of housing also affects quality of life in the neighborhood, particularly after 5 p.m. When Midtown South office workers go home, there are fewer people on the streets and fewer patrons for the area's restaurants and retail businesses. An area that feels deserted, particularly at night, repels potential visitors and diminishes the vitality of the neighborhood, an effect at odds with Midtown South's history as a bustling hub for commerce and people.

The antidote to a less active neighborhood is higher-density residential development. The proposed zoning would align with Midtown's existing density: Older loft-style buildings built prior to the implementation of 10 FAR zoning was put into place is already very dense – buildings with FARs of 20, 30, and up to 40 are not uncommon, especially in the northern portion of the neighborhood, which hosts dozens of buildings with 18 FAR or higher. The southern area, while generally less dense than the northern area, still features a heterogeneous mix of low, medium, and high-density buildings sitting side-by-side.

The proposed zoning would complement the neighborhood's high density mix by mapping paired manufacturing/residential districts that would support housing, commercial, manufacturing, and community facility uses that contribute to a vibrant 24-hour neighborhood. Nonresidential density would range from 12 to 15 FAR maximums, while residential density would top out at 15 to 18 FAR. Mandatory Inclusionary Housing (MIH), which requires permanently income-restricted housing, would be mapped across all proposed zoning districts to ensure equitable housing access for working- and middle-class New Yorkers.

In recognition that housing is needed outside the immediate plan area and consistent with similar action undertaken through the signature City of Yes for Housing Opportunity initiative, the proposed actions include a removal of restrictions on housing development in the adjacent C6-4M district in the Special Garment Center District, just to the west of the Rezoning Area. Finally, a new special district that covers the Rezoning Area would help shape building forms and incentivize public realm improvements.

Support diverse economic sectors and job growth

While legacy industries like fashion and apparel manufacturing and wholesale still have a home in the neighborhood, most area manufacturing is diminished, even compared to a few years ago. At the same time, Midtown South has experienced substantial job growth in recent years, outpacing the broader New York City and national economies. The growth is strongest in the creative and tech

sectors. Recent zoning changes, coupled with incentives and subsidies for manufacturing firms, has attracted and sustained a diverse range of businesses.

Data reveals strong recovery in foot traffic, increased subway ridership, and growing bike share usage. Despite the overall growth, concerns remain about the future of smaller businesses. The area faces challenges posed by the COVID-19 pandemic and the increasing prevalence of remote work. Rising vacancy rates and a "flight to quality" trend, where businesses are moving to more modern office spaces, threaten the area's present vitality and commercial future. Firms in Class B and C spaces are under extra economic pressure due to rising interest rates, rent increases, and lease cycle pressures. Additionally, the departure of startups seeking larger spaces highlights the need for a more diverse mix of tenants. The abundance of older buildings and the lack of Class A office space may hinder the district's ability to attract and retain tenants in the long term.

In recognition of these trends, the proposed actions would continue to allow all the uses that are currently allowed under M1 zoning so manufacturing and nonmanufacturing businesses that call Midtown South home can continue to operate and expand. To support these sectors and the economic goals of the proposed plan, DCP is working with local partners and other city agencies to explore non-zoning tools to support legacy industries.

Create conditions for active sidewalks, streets, and public spaces

More residents and more businesses translate to more people in the neighborhood at all hours of the day. Today, the quality of the public realm doesn't match the vitality of the neighborhood. The public realm suffers from a lack of consistent street walls, sheer rising towers, blank walls, and other urban design lapses that fail to frame the pedestrian experience. Alongside investments in public infrastructure and amenities, the Proposed Actions would introduce urban design controls, transit incentives, and more open spaces for passive recreation to improve the public realm.

The proposed urban design regulations are intended to complement the look and feel of the Rezoning Area's existing built character, which is defined by muscular prewar buildings that are typically built to the street line. To blend old with new, the proposed zoning would require a continuous street wall along the entire ground floor frontage within eight feet of the street line. To allow for architectural expression and for more light and air to reach the street, up to 30 percent of the street wall above the ground floor could be recessed beyond eight feet. These rules would apply to new construction in the Rezoning Area except for street frontages adjacent to public plazas.

The anticipated influx of new residents and workers necessitates transit improvements to move people and goods smoothly in and beyond the Rezoning Area. To accommodate a forecasted increase in transit use, some new buildings could be eligible for a floor area bonus if the owners commit funds to improving nearby mass transit stations. Floor area bonuses would also be permitted in exchange for privately owned public spaces.

If implemented, the proposed streetscape changes would foster a more welcoming environment and enhance quality of life for both residents and visitors.

3. DESCRIPTION OF THE REZONING AREA

The Rezoning Area lies at the nexus of Manhattan's busiest and most-visited neighborhoods. The

four quadrants of the Rezoning Area are bifurcated by a commercially zoned area extending from West 31st to West 34th streets between Fifth Avenue and Eighth Avenue. This area, which contains Penn Station, Penn Plaza, Madison Square Garden, Macy's flagship store, Herald and Greeley squares, and the Empire State Building, among other destinations, is one of the most heavily trafficked transportation, business, and retail neighborhoods in the country. To the north of the Rezoning Area across 42nd Street, Times Square, the Port Authority Bus Terminal, the Theater District, Bryant Park, and the New York Public Library's main branch draw millions of tourists, workers, and other visitors each day. To the south, 23rd Street is a major east-west corridor and shopping destination.

Except for Broadway, which cuts across the Northwest and Southeast Quadrants at a diagonal, the Rezoning Area is laid out on a typical gridiron pattern with blocks that are generally 800 feet wide by 200 feet deep. The four quadrants are broadly similar in terms of building typologies and building ages represented, with most structures consisting of mercantile and office lofts constructed in the first decades of the 20th century.

Historic Districts and Landmarks

Approximately nine percent, or 11.5 acres, of the Rezoning Area is within two LPC-designated historic districts – the Ladies' Mile Historic District (all or parts of 14 tax lots) or the Madison Square North Historic District (all or parts of 62 tax lots), both in the Southeast Quadrant. Proposed development that would affect buildings in the historic districts are subject to LPC review, including new construction, alteration, reconstruction, or demolition.

LPC designated the Ladies' Mile Historic District in 1989. The district is roughly bounded by West 15th Street at the south to West 24th Street at the north, extends into the blocks east of Broadway and into the blocks west of Sixth Avenue. It covers all or parts of 28 city blocks and contains approximately 440 individual buildings. With its concentration of surviving hotels and large department stores that once catered to clienteles of varying economic classes, the Ladies' Mile Historic District is significant for its historical role in the commercial, retail, and hospitality development of New York City.

The Madison Square North Historic District, designated by the LPC in 2001, consists of approximately 96 buildings representing the period of New York City's commercial history from the 1870s to the 1930s, when this area prospered first as a major entertainment district of hotels, clubs, stores, and apartment buildings, and then as a mercantile district of high-rise offices and lofts. Located to the north and west of Madison Square Park, along Fifth Avenue and Broadway, the district also contains numerous rowhouses, art deco-style towers, as well as modest 20th-century commercial structures, all of which testify to each successive phase in the area's development.

Neighborhood Context

Unlike most other neighborhoods in Manhattan and elsewhere that tend to have commercial uses concentrated on avenues and wide streets and predominantly residential uses in the midblocks and side streets, the Affected Area is almost uniformly commercial, consisting primarily of offices interspersed with manufacturing, wholesale, and showroom uses as well as some newer hotel developments. While the overwhelmingly commercial makeup of the area contributes to its status

as an important job hub and economic driver of the local and regional economy, the absence of residents and retail options creates its own set of challenges and does not support the conditions necessary for vibrant, diverse, mixed-use neighborhoods that are active outside the workday.

The Affected Area sits at the nexus of Manhattan's busiest and most visited neighborhoods. The four M1-6- and M1-6D-zoned quadrants are bifurcated by a commercially zoned area extending from West 31st to West 34th streets between Fifth Avenue to Eighth Avenue. This area, which contains Penn Station, Penn Plaza, Madison Square Garden, Macy's department store, Herald and Greeley Squares, and the Empire State Building, among other destinations, is one of the most heavily trafficked transportation, business, and retailing neighborhoods in the country. To the north of the Affected Area across 42nd Street, Times Square, the Port Authority Bus Terminal, the theater district, Bryant Park, and the New York Public Library's main branch draw millions of tourists, workers, and other visitors each day. To the south, 23rd Street is a major east–west corridor and shopping destination.

The four quadrants are broadly similar in terms of building typologies and building ages represented, with most structures consisting of mercantile and office lofts constructed in the first decades of the 20th century. Approximately 11.5 acres of the Rezoning Area's Southeast Quadrant is located within either the Ladies' Mile Historic District (all or parts of 14 tax lots) or the Madison Square North Historic District (all or parts of 62 tax lots). Although they share many land use and zoning similarities, the Rezoning Area's four quadrants have subtle differences in terms of built character and mix of uses.

Northwest Quadrant

The Northwest Quadrant, which makes up the majority of the Garment Center, is roughly bounded by Broadway and Seventh Avenue to the east, West 35th Street to the south, West 40th Street to the north, and a line 100 feet west of Eighth Avenue to the west. The quadrant is characterized by loft buildings constructed in the early part of the 20th century that were originally used for production and showroom space. On the side streets, buildings are generally around 15 stories tall, while buildings generally rise from 25 to more than 40 stories on the avenues. These buildings were designed as for general purposes and could accommodate manufacturing, warehousing, retail, and office uses. More recently, buildings whose upper floors were used for production have become showrooms or Class B or C office spaces, though some garment production remains. The Northwest Quadrant has the fewest residential units of any part of the Rezoning Area. Avenue frontages tend to have a consistent ground-floor retail presence, often occupied by large chain stores including banks, restaurants, and variety stores; second-floor retail is not uncommon. The midblocks tend to have smaller retail storefronts populated by bars, local services, and specialty, fashion-related wholesale establishments. With 65,000 jobs, the Northwest Quadrant has the largest economy, representing almost half of the Rezoning Area's total employment.

It is also the densest quadrant, with building FARs that range from 9.0 to 18.0, with some buildings over 30.0 FAR. Existing commercial loft buildings come in two basic variations: the squat, boxy typology that typically rises to its full height at the street wall, and the wedding cake style, which above a high street wall has multiple shallow setbacks whose tiers are each set back from the one below. The wedding cake loft, with its distinctive ziggurat-like profile, is a legacy of the 1916 ZR, which was designed to allow light and air to filter into the narrow streets below. Both loft typologies

have high street walls, which often climb to over 150 feet before setbacks on side streets and rise to as much as 200 feet before setbacks on the avenues. These buildings tend to have high lot coverage with no or shallow rear yards.

Northeast Quadrant

The Northeast Quadrant, also known as the Garment Center East (but outside the special zoning district), is bounded by a line 150 feet west of Fifth Avenue to the east, 150 feet east of Sixth Avenue to the west, West 35th Street to the south, and the centerline of the block between West 39th and West 40th streets to the north.

Unlike the other three quadrants, which have been zoned for manufacturing since 1961, the Northeast Quadrant was originally zoned C6 and only rezoned to M1-6 in the 1980s. As a result, the building stock is more diverse, with lofts interspersed with older walkup rowhouses and tenements, as well as newer hotels. Buildings are around 15 stories tall with a median FAR of 11.0, but with a significant concentration of buildings in the 3.0 to 6.0 and the 12.0 to 15.0 FAR ranges. Most loft buildings have been converted from manufacturing and wholesale uses to Class B and C office use. Over the last 15 years, due to the M1-6 zoning (which, as of 2021, no longer allows transient hotel accommodations as of right) and proximity to the Midtown theater district, the Northeast Quadrant has seen a proliferation of budget and mid-rate chain hotel development. As a result of the quirks of the M1-6 bulk regulations, these hotels tend to have street walls that set back 10 to 20 feet from the street line and rise to their full height without setback, breaking up the street wall and creating an awkward “missing tooth” character. Ground-floor retail typically consists of local services, such as salons, dry cleaners, hardware stores, bars, and restaurants.

Southeast Quadrant

Bisected by Broadway, the Southeast Quadrant consists of the midblocks bounded by a line 100 to 275 feet west of Fifth Avenue to the east, a line 125 to 150 feet east of Sixth Avenue to the west, West 23rd Street to the south, and West 31st Street to the north. The Southeast Quadrant is the most historically intact portion of the Rezoning Area; approximately 50 percent of the area is within a LPC historic district with a further nine individual landmarks. The southeast has the most heterogeneous built character. While 10- to 15-story lofts are still the predominant building type, there are many three- to six-story historic rowhouses as well as Class A office buildings; much of the Class A office space was converted from former department stores and hotels. The median FAR for the Southeast Quadrant is 5.2, though there is a notable concentration of buildings in the 9.0 to 15.0 FAR range.

In recent years, this area has become part of the trendy NoMad (North of Madison Square Park) neighborhood. Because of its popularity with tourists and employers alike, the Southeast Quadrant has seen a proliferation of large upscale hotel developments, including the Ritz-Carlton at Broadway and West 28th Street and the Virgin Hotel at Broadway between West 29th and West 30th streets. Myriad institutional uses are concentrated here, including the Serbian Orthodox Cathedral of Saint Sava at 13 West 25th Street and Marble Collegiate Church at Fifth Avenue and West 29th Street. The southeast has the second-highest residential population among the four quadrants, with approximately 425 residential units, mostly IMDs and pre-1961 legally nonconforming residences. The area also includes at least one residential development enabled by

the issuance of a 74-711 special permit at 39-41 West 23rd Street in the Ladies' Mile Historic District that allowed for 43 homes, four of which are affordable. In its approval of the application (C 140404 ZSM), the CPC noted that there was already an appreciable residential presence in the M1-6 district and surrounding areas alongside shrinking demand for conforming manufacturing and commercial uses, particularly on small sites. There is a wide range in area retail, including upmarket restaurants, boutiques, bookstores, and gyms, as well as a robust, if dwindling, concentration of small wholesale import shops and low-cost clothiers. Notably, the Southeast Quadrant has the Rezoning Area's highest concentration of large, underdeveloped and undeveloped soft sites, such as parking lots.

Southwest Quadrant

The Southwest Quadrant is roughly bounded by Seventh Avenue and a line 100 feet east of Eighth Avenue to the west, a line 125 feet west of Sixth Avenue to the east, West 28th Street and the centerline of the block between West 23rd and West 24th Street to the south, and West 30th and West 31st streets to the north. While most of the building stock consists of 12- to 15-story masonry loft buildings, like the Northeast Quadrant, the southwest has seen a proliferation of hotels over the last two decades that are built 15 to 20 feet from the street line and rise without setbacks or articulation to a height taller—sometimes taller than 40 stories—than their prewar neighbors. The Southwest Quadrant has the widest variation of building densities; while the median FAR is 8.3, there are a significant number of buildings built to less than 5.0 FAR and greater than 12.0 FAR.

While many of the older lofts have been converted to office use, this quadrant still has the Rezoning Area's highest concentration of wholesale establishments, a trend that has remained relatively stable over the last two decades despite a shrinking manufacturing sector. With approximately 37,000 jobs, the Southwest Quadrant is second only to the Northwest Quadrant in terms of economic impact, and it includes a flourishing creative and tech sector. The Southwest Quadrant has historically been the heart of the Flower District; today, there are several dozen floral retail and wholesale businesses that employ around 200 people and are mostly concentrated along West 28th Street between Sixth and Seventh avenues. In the warmer months, the sidewalks and streets along this stretch of West 28th Street transform into an open-air flower market that serves restaurants, hotels, and other businesses across Manhattan and the city.

The Southwest Quadrant is within the orbit of the Fashion Institute of Technology and its large population of students and staff. Like the Northwest Quadrant, avenue frontages tend to have ground-floor retail consisting mostly of chain stores and restaurants with smaller storefronts in the midblocks tenanted with bars, local services, and fashion-related businesses. The Southwest Quadrant has the largest share—over 70 percent—of the Rezoning Area's homes. Most residential development is concentrated in a roughly two-block M1-6D area west of Seventh Avenue, which was rezoned in 2011 from M1-5 and mapped as an IH area. The success of the 2011 rezoning, which catalyzed hundreds of new market-rate and affordable units, indicates strong demand for residential development in the Rezoning Area.

Housing

Due to its history as a commercial and manufacturing center, the Rezoning Area only contains approximately 2,300 housing units, or about 17.5 DUs per acre, which is a significantly lower

housing density than the rest of Manhattan (63 DUs/acre) and lower than New York City overall (19 DUs/acre). This is a particularly striking statistic considering that there are about 74,000 homes in an approximately 10-minute walk of the Rezoning Area (0.5-mile radius). Housing types fall within four general categories. Residential buildings such as walkup tenements that predate the current manufacturing zoning and are considered legally nonconforming, converted or newly constructed residential units approved by Board of Standards and Appeals (BSA) variances or CPC special permits, new residential units constructed after the 2011 rezoning of the M1-6D portion of the Southwest Quadrant , and converted former manufacturing loft buildings such as Interim Multiple Dwellings (IMDs) and former IMDs that have legalized or are undergoing legalization under the Loft Law (also known as Article 7C of the New York State Multiple Dwelling Law [MDL]). More recent developments have added income-restricted affordable housing units through the city's Inclusionary Housing program, but market-rate housing still dominates the area.

Based on the 2020 U.S. Census Bureau's average household size for Manhattan Community District 4 and 5 of 1.68, the Rezoning Area has a population of approximately 3,864. However, because the census blocks for the Rezoning Area overlap with neighboring zoning districts that allow residential development as of right and have substantial amounts of existing housing, it is difficult to disaggregate data for the Rezoning Area from the wider neighborhood context. As a result, demographic information such as age, race, income, education, household composition, tenancy, and other metrics cannot be determined with any certainty.

4. EXISTING ZONING

Zoning in the Rezoning Area

The Rezoning Area is covered by M1-6 and M1-6D districts and overlaps with two Special District subdistricts: The Special Garment Center District's Subdistrict A-1 and the Special Midtown District's Theater Subdistrict.

M1-6

The majority of the Rezoning Area is mapped M1-6. M1-6 districts are high-density manufacturing districts that permit a maximum FAR of 10.0 for commercial, light manufacturing, and a limited range of community facility uses. Residential use or community facility uses with sleeping accommodations are not permitted as of right. M1-6 districts are eligible for a density bonus for the provision of public plazas and arcades. The maximum height of a building at the street wall is six stories or 85 feet, whichever is less, above which an initial setback of 20 feet (narrow street) or 15 feet (wide street) is required. Maximum building height is controlled by a sky exposure plane (2.7:1 on a narrow street or 5.6:1 on a wide street) that may be penetrated by a tower subject to lot coverage requirements. A steeper sky exposure plane is permitted if front setbacks are provided at the ground floor, while a 20-foot rear yard is required in most cases. Most of the loft buildings in the Rezoning Area were built prior to 1961 and do not comply with today's M1-6 bulk regulations.

M1-6D

The M1-6D district, mapped across portions of two blocks in the Southwest Quadrant, is a high-density mixed-use district that allows 10.0 FAR for light manufacturing, commercial, and community facility uses. The base residential FAR is 10.0 or 12.0 with Qualifying Affordable Housing (QAH). Residential use

is only permitted as of right on zoning lots with less that 40,000 sf of floor area. On sites with more than 40,000 sf of floor area, residential use is permitted only by preserving the amount of non-residential floor area existing on the lot at the time of conversion/redevelopment. M1-6D district bulk regulations generally follow the bulk regulations of C6-4A (R10A equivalent) districts. For non-residential buildings, the maximum height of a building at the street wall is six stories or 85 feet, whichever is less, above which an initial setback of 20 feet (narrow street) or 15 feet (wide street) is required. Maximum building height and setbacks for non-residential uses are controlled by a sky exposure plane (2.7:1 on a narrow street or 5.6:1 on a wide street) that may be penetrated by a tower subject to lot coverage requirements. For residential buildings subject to R10A bulk regulations within 100 feet of a wide street, the base height must be between 125 and 155 feet and the maximum building height is 290 feet. For residential buildings along narrow streets, the base height must be between 60 and 125 feet (155 feet with QAH) and the maximum building height is 185 feet, or 235 feet with QAH. Alternative tower regulations do not apply to R10A districts. A standard setback of 10 feet along wide streets or 15 feet along narrow streets applies above the base. Residential buildings have a maximum lot coverage of 80 percent for interior and through lots and 100 percent for corner lots. Residential buildings are required to provide a 20-foot-deep rear yard below a height of 75 feet and a 30-foot-deep rear yard above a height of 75 feet.

Special Garment Center District – Subdistrict A-1 (underlying M1-6)

The Special Garment Center District extends roughly from a line 100 feet east of Ninth Avenue to Broadway between West 35th and West 40th streets. When it was established in 1987, residential use was already restricted by the M1-6 zoning; the primary goal of the special district was to protect the remaining garment manufacturing sector and the ecosystem of related businesses by restricting the conversion of existing factory, warehouse, and showroom floor area to office use within designated “Preservation Areas” that roughly corresponded to the midblocks within the special district boundaries. As part of the 2005 Hudson Yards Rezoning, the Preservation Areas were divided into two zones with slightly different preservation requirements: P-1, two midblock areas east of Eighth Avenue where most of the remaining garment-related activity was concentrated, and P-2, the midblock area west of Eighth Avenue. In P-1, the manufacturing preservation controls of the 1987 Special Garment Center District zoning were maintained. In P-2, which was remapped from M1-5 and M1-6 to C6-4M, restrictions on office conversions were lifted, and residential conversions and the construction of new residential buildings on sites with less than 70,000 sf of floor area became permitted as of right; residential conversions on sites above 70,000 sf of floor area were permitted subject to modified floor area preservation requirements. The 2005 amendments also applied new bulk regulations to P-2 to ensure that new development would be consistent with the “wedding cake” loft typology. In addition, P-2 became subject to some of the Special Hudson Yards District’s regulations.

The 2018 Garment Center Text Amendment reexamined the appropriate mix of uses within the area and removed the restriction on the conversion of manufacturing and warehousing uses to office uses in P-1, thereby permitting a wide range of non-residential manufacturing and commercial uses. P-1 and all the avenue frontages outside the preservation areas were redesignated as Subdistrict A-1. In P-2, which was redesignated Subdistrict A-2, the floor area preservation requirements were slightly amended to prohibit the conversion of manufacturing and warehousing space in buildings 70,000 square feet or larger to residential or dormitory use to maintain the larger

sites for both office and manufacturing uses.

The 2018 text amendment also established contextual bulk regulations for Subdistrict A-1 that permit a building envelope better aligned with the existing context of Manhattan loft districts. Street walls are required to be located at the street line. On wide streets, the base height must be between 125 and 155 feet but may extend up to 205 feet to match existing adjoining buildings. On narrow streets, the minimum base height is 85 feet and the maximum base height is 135 feet. After an initial setback above the base height (10 feet on wide streets, 15 feet on narrow streets), there is no maximum building height. Instead, buildings must comply with tower regulations that limit tower coverage to a maximum of 50 percent of the lot area. The arcade bonus is not available, and the public plaza bonus is only available on lots 100 feet beyond a wide street to promote contiguous street walls along the avenues and to maintain an inviting pedestrian experience. The signage regulations applicable to C6-4 districts apply across the special district.

Special Midtown District – Theater Subdistrict (underlying M1-6)

The portion of the Northwest Quadrant of the Rezoning Area between Seventh Avenue to the east, Eighth Avenue to the west, West 40th Street to the south, and the midline of the block between West 40th Street and West 41st Street to the north is within the Theater Subdistrict of the Special Midtown District. The Theater Subdistrict was created to preserve and protect the character of the area as a cultural, theatrical, and entertainment destination and to preserve a complementary cluster of shops, restaurants, and amusement activities. Permitted uses are limited to a defined set of uses intended to support the theater industry and enhance the character of the area. Ground floors are further restricted to active retail and service uses, while larger developments are required to provide entertainment-related uses such as theaters and studios. Qualifying sites may increase the maximum allowable FAR up to an additional 4.4 FAR through one or a combination of density bonus programs, including a transfer of development rights from a listed theater or a CPC special permit for the substantial rehabilitation or restoration of a theater. Retail and street wall continuity requirements apply along Seventh Avenue.

Zoning in the Surrounding Area

M1-5

An M1-5 manufacturing district is mapped across a small area south of Penn Station between West 31st Street, Eighth Avenue, West 30th Street, and Seventh Avenue. M1-5 districts permit a maximum FAR of 5.0 for commercial and manufacturing uses and 6.5 FAR for community facility uses. Residential uses are not permitted unless paired with residence districts in a Special Mixed-Use District. The maximum height of a building at the street wall is six stories or 85 feet, whichever is less, and above which an initial setback of 20 feet (narrow street) or 15 feet (wide street) is required. Maximum building height and setbacks are controlled by a sky exposure plane (2.7:1 on a narrow street or 5.6:1 on a wide street) that may be penetrated by a tower subject to lot coverage requirements. If front setbacks are provided at the ground floor, a steeper sky exposure plane is permitted. A 20-foot rear yard is required in most cases.

C5

To the east and north, much of the Rezoning Area is surrounded by various high-density C5

commercial districts, including C5-2, C5-2.5, and C5-3 districts. C5 is a central business district commercial district with continuous retail frontage intended for offices and retail establishments that serve the entire metropolitan region. Most residential and community facility uses are also allowed as of right. The basic maximum commercial FAR in the surrounding areas ranges from 10.0 (C5-2) to 15.0 (C5-3). C5 districts without a letter suffix have a corresponding residential district equivalent of R10, which regulates most residential and mixed-use buildings. Under typical C5 bulk regulations, the maximum height of a building at the street wall is six stories or 85 feet, whichever is less, and above which an initial setback of 20 feet (narrow street) or 15 feet (wide street) is required. Maximum building height and setbacks are controlled by a sky exposure plane (2.7:1 on a narrow street or 5.6:1 on a wide street) that may be penetrated by a tower subject to lot coverage requirements. If front setbacks are provided at the ground floor, a steeper sky exposure plane is permitted. A 20-foot rear yard is required in most cases and there are no off-street parking requirements.

Most of the surrounding C5 districts are within the Special Midtown District, which may, depending on the subdistrict, modify the underlying C5 use, height, setback, and/or streetscape regulations. In almost all cases, the height and setback regulations of the underlying C5 districts are superseded by two exotic height and setback regulations: Daylight Compensation and Daylight Evaluation. The Special Midtown District also provides a menu of as-of-right and discretionary density bonus incentives that allow qualifying sites to achieve significantly higher FARs, in some cases exceeding 18.0 FAR.

C6

Much of the Rezoning Area is surrounded by medium- and high-density C6 commercial districts to the north, west, and south, including C6-2, C6-2A, C6-3A, C6-3X, C6-4, C6-4M, C6- 4X, C6-4.5, C6-6, C6-6.5, and C6-7 districts. C6-2 and C6-3 districts are typically mapped in areas just outside central business districts (e.g., Chelsea) and have a basic maximum commercial FAR of 6.0. C6-4 through C6-9 districts, typically mapped within the city's major business districts, have a basic maximum commercial FAR of 10.0 (C6-4) or 15.0 (C6-6 and C6 7), excluding bonuses. C6 districts permit a wide range of high-bulk commercial uses that require a central location, as well as most residential and community facility uses. Corporate headquarters, large hotels, department stores, and entertainment facilities in high-rise mixed buildings are permitted in C6 districts. C6 districts without a letter suffix have a corresponding residential district equivalent of R8 (C6-2) or R10 (C6-4, C6-6, C6-7) that regulates the bulk of residential and mixed-use buildings, while C6 districts with a letter suffix have a corresponding residential district equivalent of R8A (C6-2A), R9A (C6-3A), R9X (C6-3X), R10 (C6-4M), or R10X (C6-4X). Under typical C6 bulk regulations, the maximum height of a building at the street wall is six stories or 85 feet, whichever is less, above which, an initial setback of 20 feet (narrow street) or 15 feet (wide street) is required. Maximum building height and setbacks are controlled by a sky exposure plane (2.7:1 on a narrow street or 5.6:1 on a wide street) that may be penetrated by a tower subject to lot coverage requirements. If front setbacks are provided at the ground floor, a steeper sky exposure plane is permitted. A 20-foot rear yard is required ins most cases, and there are no off-street parking requirements. C6-4M districts have special rules for nonresidential to residential floor area conversions.

Most of the surrounding C6 districts are within special districts, including the Special Garment

Center District, the Special Hudson Yards District, and the Special Midtown District. C6-4M districts in the Special Garment Center District are governed by contextual bulk regulations designed to mirror the high street wall loft buildings. C6 districts in the Special Hudson Yards District generally have bespoke building envelope and FAR regulations that supersede those of the underlying zoning districts. They also have a unique density bonus structure that allows FARs to reach between 13.0 and 19.5, depending on the subdistrict. As noted above, Special Midtown District rules generally modify the underlying C6 use, height, setback, and/or streetscape regulations, depending on the subdistrict. Like C5 districts, in almost all cases the height and setback regulations of the underlying C6 districts are superseded by two exotic height and setback regulations: Daylight Compensation and Daylight Evaluation. As noted above, the Special Midtown District also provides a menu of as-of-right and discretionary density bonus incentives that allow qualifying sites to achieve significantly higher FARs, in some cases exceeding 18.0 FAR.

5. PROPOSED ACTIONS

DCP proposes a zoning map and zoning text amendment that would affect all or parts of 42 blocks in Midtown South. Each of these actions is discretionary and subject to review under ULURP, Section 200 of the City Charter, and the CEQR process

The Proposed Actions would replace the existing M1-6 and M1-6D manufacturing districts with high-density mixed-use districts and make further modifications to the adjacent C6-4M district.

The Proposed Actions would accomplish the following land use and zoning objectives:

- Promote economic recovery, resiliency, and growth by allowing a wider range of compatible commercial, community facility, and light manufacturing uses; modernize outdated zoning provisions; and reduce existing zoning barriers to accommodate a more balanced mix of uses
- Establish appropriate FAR and bulk regulations that incentivize mixed-use buildings and ensure new development is in harmony with the surrounding built context
- Promote the adaptive reuse of existing commercial buildings by eliminating nonresidential floor area preservation requirements, where applicable
- Expand housing opportunities by allowing residential uses as of right and requiring permanently affordable housing through the MIH program in new development, conversions, and expansions to support neighborhood diversity and further the City's equity and fair housing goals.

The Proposed Actions include the following:

Zoning Map Amendment

The proposed zoning map amendment would rezone all or portions of existing M1-6 and M1-6D districts within the Rezoning Area with a range of paired manufacturing districts and high-density residential districts. Additionally, a series of zoning map amendments would create a new special district—The Special Midtown South Mixed-Use District (MSX)—and reconfigure the boundaries of three other special districts in the area to accommodate the new MSX district. The proposed districts detailed below would respond to varied contexts within the Rezoning Area and are intended to respect differing neighborhood contexts, achieve the right balance among uses, as well

as facilitate appropriate building forms that reflect existing bulky, loft-style buildings with high street walls.

The proposed paired high-density M/R districts differ only in their respective FAR limits. Most residential, community facility, commercial, and light industrial uses in Use Groups I through X would be permitted as of right. Across the entire rezoning area, the proposed districts would require a minimum base height of 60 feet and a maximum base height of 155 feet. A standard setback of 10 feet along wide streets or 15 feet along narrow streets would apply above the base. There would be no maximum building height limit, but tower regulations would require that the lot coverage of any portion of a building above a height of 350 feet cannot exceed 50 percent of the area of the zoning lot. Within 100 feet of an intersection, no rear yard would be required, though, in practice, light and air requirements for legal windows would typically result in at least 20-foot-deep rear yards for residential buildings. Beyond 100 feet of an intersection, non-residential buildings must provide a 10-foot-deep rear yard below a height of 65 feet, a 15-foot-rear yard above a height of 65, and a 20-foot-deep rear yard above a height of 125 feet; residential buildings would be required to provide a 20-foot-deep rear yard below a height of 75 feet and a 30-foot-deep rear yard above a height of 75 feet. On through lots, no rear yard equivalent would be required for non-residential buildings; residential buildings must provide a rear yard equivalent of 40 feet below a height of 75 feet and 60 feet above a height of 75 feet. Residential buildings would have a maximum lot coverage of 80 percent for interior and through lots beyond 100 feet of an intersection and 100 percent for corner lots, interior, and through lots within 100 feet of an intersection. Non-residential buildings would not be subject to lot coverage requirements.

Proposed M1-9A/R12 (Existing M1-6 and M1-6D)

An M1-9A/R12 district is proposed for 22 full or partial blocks in three general areas:

- The Northwest Quadrant, generally bounded by West 40th Street to the north, Broadway to the east, West 35th Street to the south, and Eighth Avenue to the west
- The Northeast Quadrant, generally bounded by the midblocks between West 39th Street to the north, Fifth Avenue to the east, West 35th Street to the south, and Sixth Avenue to the west
- The northern portion of the Southwest Quadrant, generally bounded by West 30th and West 31st streets to the north, Sixth Avenue to the east, West 29th Street to the south, and Eighth Avenue to the west

The proposed M1-9A/R12 district would permit a maximum of 15 FAR for commercial, light manufacturing, and community facility uses and a maximum of 18 FAR for residential uses with MIH.

Proposed M1-8A/R12 (Existing M1-6 and M1-6D)

An M1-8A/R12 district is proposed for 14 full or partial blocks in two general areas:

- The Southeast Quadrant, generally bounded by West 31st Street to the north, Fifth Avenue to the east, West 23rd Street to the south, and Sixth Avenue to the west
- The southwestern portion of the Southwest Quadrant, generally bounded by West 29th Street to the north, Seventh Avenue to the east, West 28th Street to the south, and Eighth

Avenue to the west

The proposed M1-8A/R12 district would allow a maximum of 12 FAR for commercial, light manufacturing, and community facility uses and a maximum of 18 FAR for residential uses. However, within LPC historic districts, residential FAR is capped at 12 by state law.

Proposed M1-8A/R11 (Existing M1-6)

One M1-8A/R11 district is proposed to be mapped across six full or partial blocks in the southeastern portion of the Southwest Quadrant, generally bounded by West 29th Street to the north, Sixth Avenue to the east, West 23rd Street to the south, and Seventh Avenue to the west.

The proposed M1-8A/R11 district would allow a maximum of 12 FAR for commercial light manufacturing, and community facility uses and a maximum of 15 FAR for residential uses.

Special Midtown South Mixed-Use District (MSX)

The proposed MSX district would be mapped over the entire Rezoning Area, which spans all or parts of 42 blocks. To support the above-specified planning goals, the MSX special district would establish regulations to address the neighborhood's distinctive history, building typologies, as well as existing and anticipated mix of uses. The proposed MSX special purpose district would be mapped over existing portions of the Special Garment Center District and the Special Midtown District.

Special Garment Center District (GC)

The Proposed Actions would remove the Special Garment Center District (GC) from the zoning map. GC Subdistrict A-1 (underlying M1-6 zoning district) would be remapped as part of the larger MSX special purpose district. GC Subdistrict A-2 (underlying C6-4M zoning district), bounded by a line 100 feet east of Ninth Avenue to the west, West 35th Street to the south, a line 100 feet west of Eighth Avenue to the east, and West 39th Street to the north, would be subsumed into the Special Hudson Yards District as a new Subdistrict H.

Special Hudson Yards District (HY)

The Proposed Actions would expand the boundaries of the Special Hudson Yards District eastward approaching Eighth Avenue between West 39th and West 35th streets, subsuming Subdistrict A-2 (underlying C6-4M zoning district) of the Special Garment Center District and reconstituting it as HY Subdistrict H.

Special Midtown District (MiD)

The Proposed Actions would eliminate from the zoning map the half-block portion of the Special Midtown District (Theater Subdistrict) bounded by West 40th Street to the south, Seventh Avenue to the east, Eighth Avenue to the west, and the centerline of Block 1012 to the north. This half block would be remapped as part of the larger MSX special purpose district.

Zoning Text Amendment

The Proposed Actions include amendments to the New York City ZR to establish special rules for the MSX special purpose district, including regulations related to street wall and streetscape, the

size of retail uses, distance between buildings on the same zoning lot, and the exemption of community facility floor area from FAR calculations on sites with public schools, among other rules. Additionally, the Proposed Actions include an amendment to Appendix F of the ZR to map an MIH area across the Rezoning Area, setting mandatory affordable housing requirements pursuant to the MIH program.

Special Midtown South Mixed-Use District (MSX)

The MSX district would modify the typical regulations of the underlying paired districts and establish additional requirements and parameters for future development derived from and responsive to block- and neighborhood-wide characteristics.

Street Wall and Streetscape Requirements

It is typical for many of the older buildings in the Rezoning Area to have street walls that are built right at the street line. However, due to the permissive M1-6 bulk regulations, much of the new development built over the last two decades contain shallow front setbacks—often 15 to 20 feet—with buildings rising to their full height without setbacks. These conditions limit visibility into ground floors and can feel out of scale with the rest of the neighborhood. To maintain a strong street wall in harmony with the existing built character and create an inviting pedestrian experience, the Proposed Actions would require 100% of a building's street wall on the first story be within eight feet of the street line. Above the first story, at least 70 percent of a building's street wall would have to be located within eight feet of the street line and extend to at least the minimum base height of 60 feet, or the height of the building, whichever is less. These rules would balance the need for a strong, contiguous street wall while allowing for architectural expression and flexibility.

Additionally, building frontages along north-south streets would be subject to the ZR's highest Tier C streetscape standards. Tier C street frontage regulations strictly regulate the percentage of a building's ground floor street wall that can be devoted to non-active uses such as lobbies, residential amenity space, parking, and loading. East-west streets would be subject to Tier B urban design standards, which are slightly more permissive than Tier C, but still have strong active ground floor requirements.

Provide More Flexible Base Heights

Base height provisions are generally intended to align new development with neighboring buildings but can prevent alignment when they are not flexible enough. The Proposed Actions would retain existing minimum and maximum base heights while adding an allowance that enables new developments in the Rezoning Area to go higher than those limits to match the base heights of neighboring buildings, like a provision that already exists in Subdistrict A-1 of the Special Garment Center District.

Minimum Distance Between Buildings

The Rezoning Area contains many large lots capable of being redeveloped with multiple buildings. To provide additional site planning flexibility and minimize the potential for non-compliances, the Proposed Actions would reduce the minimum distance between buildings or portions of buildings

on a single zoning lot to eight feet. Residential developments would still be required to comply with legal light and air requirements of the state Multiple Dwelling Law (MDL).

Large Retail Uses

In M1 districts, many common retail and services uses such as clothing stores, grocery stores, and electronics stores, among others, are limited to 10,000 zoning square feet per establishment. The surrounding Midtown neighborhood is characterized by a range of large retail offerings, including expansive department stores like Macy's. Limiting the scale of retail uses is inconsistent with Midtown's role as a regional shopping destination. The Proposed Actions would therefore eliminate the 10,000-square-foot cap on Use Group VI uses with such size restriction.

Floor Area Exemption for Public Schools

To better facilitate public school siting, the Proposed Actions would permit up to 150,000 square feet of floor space within a public school, constructed in whole or in part pursuant to an agreement with the New York City School Construction Authority (SCA) and subject to the jurisdiction of New York City Schools, to be exempt from the definition of floor area for the purposes of calculating the permitted floor area ratio for community facility uses and the total maximum floor area ratio of the zoning lot. This exemption would apply to qualifying sites of at least 20,000 square feet.

Split Lots with Historic Landmarks

Ordinarily, the ZR restricts the movement of floor area on zoning lots that are split between zoning districts with different maximum FARs. However, the Rezoning Area contains sites with this split lot condition. Moreover, these sites may contain LPC-designated landmark buildings with excess development rights for which it is often difficult to find appropriate landing sites that can utilize that floor area. To allow greater flexibility in site planning, maximize the development of new homes, and ensure that landmark buildings are best able to capture the value of their unused development rights, the special district would allow floor area to be distributed anywhere on a zoning lot divided by zoning district boundaries provided that the majority of the zoning lot is within MSX and the zoning lot contains an LPC-designated landmark.

Covered Pedestrian Space Bonus

Currently, Covered Pedestrian Spaces (CPS), a type of Privately-Owned Public Space (POPS) that can be outdoor or indoor, are not permitted within the proposed mixed-use zoning districts. To provide additional opportunities for valuable public space within Midtown South, the Proposed Actions would allow new developments or enlargements to apply via CPC special permit for a CPS floor area bonus of up to 20 percent.

Transit Bonus

Currently, large portions of the Rezoning Area are located more than 500 feet from a mass transit station, making many sites ineligible for a transit bonus and related bulk waivers pursuant to ZR 66-50. For the purposes of applying ZR Article 6, Chapter 6 regulations, the Proposed Actions would add the proposed MSX Special District to the definition of "Central Business District" (ZR 66-11), thus extending the density bonus applicability to 1,500 feet from mass transit stations and making all sites within the Rezoning Area qualifying transit improvement sites.

Special Garment Center District

The Proposed Actions would remove Article XII, Chapter 1 (Special Garment Center District) from the ZR in its entirety.

Special Midtown District

The Proposed Actions would modify Appendix A of ZR Article VIII, Chapter 1 to eliminate the southern half of Manhattan Block 1012 (West 40th Street to the south, Seventh Avenue to the east, Eighth Avenue to the west, and the centerline of the block to the north) from the Special Midtown District maps.

Special Hudson Yards District

With the removal of Special Garment Center Subdistrict A-1, Subdistrict A-2 would be an island less than four blocks in area. Recognizing that Subdistrict A-2 already contains provisions related to the Special Hudson Yards District (HY), namely, the district improvement bonus, parking regulations, and anti-harassment and demolition rules, the Proposed Actions seek to rationalize the patchwork of special districts in the area. The Proposed Actions would modify the Special Hudson Yards District maps (Appendix A and Appendix B of ZR Article IX, Chapter 3) and create the new Subdistrict H within HY co-extensive with the existing Special Garment Center Subdistrict A-2. Subdistrict H would retain all the rules that currently apply to GC Subdistrict A-2 except that the prohibition on residential conversions in buildings over 70,000 square feet would be eliminated.

Mandatory Inclusionary Housing Program

The Proposed Actions include a zoning text amendment to Appendix F of the ZR to apply the MIH program to the Rezoning Area. The MIH program requires permanently affordable housing within new residential developments, enlargements, and conversions from nonresidential to residential use within the mapped Mandatory Inclusionary Housing Areas. The program requires permanently affordable housing set-asides for all developments over 10 units or 12,500 zoning square feet within the MIH-designated areas or, as an additional option for developments between 10 and 25 units (12,500 to 25,000 sf), a payment into an Affordable Housing Fund. Developments, enlargements, or conversions that do not exceed either 10 units or 12,500 sf of residential floor area would be exempt from the requirements of the program.

In cases of hardship, where these requirements would make development financially infeasible, developers may apply to BSA for a special permit to reduce or modify the requirements. In addition, within the MSX special district, for conversions from non-residential to residential use in buildings that are not otherwise subject to the MIH program's affordable housing fund provisions, the BSA may permit a contribution to the affordable housing fund where strict compliance with the options for affordable housing requirement may not be feasible. In such case, BSA must determine that the configuration of the building imposes constraints such as deep, narrow, or otherwise irregular floorplates, limited opportunities to locate legally required windows, or pre-existing locations of vertical circulation or structural column systems that would create practical difficulties in reasonably configuring the required affordable floor area into a range of apartment sizes and bedroom mixes.

In most areas of Manhattan, the MIH program includes three primary options that pair set-aside percentages with different affordability levels to reach a range of low and moderate incomes while providing flexibility for the number of affordable units and level of affordability. Option 1 would require 25 percent of residential floor area be for affordable housing units for residents with incomes averaging 60 percent of the area median income (AMI). Option 1 also includes a requirement that 10 percent of residential floor area be affordable at 40 percent AMI. Option 2 would require 30 percent of residential floor area be for affordable for residents with incomes averaging 80 percent AMI. Option 3 would require that 20 percent of the residential floor area be affordable to residents at 40 percent AMI. For all options, no units could be targeted to residents with incomes above 130 percent AMI. (Option 4, a middle-income affordability option, does not apply to the Manhattan Core.)

6. CONCLUSION

Midtown South is one of the most well-connected and transit-dense areas locally and nationally. Its central location and older building stock attract businesses across a wide range of industries seeking both accessibility and affordability. However, while DCP recognizes that an affordable office market and an array of businesses are keys to the neighborhood and the city's economic diversity, Midtown South's existing manufacturing zoning generally stymies new investment and development. The percentage of jobs in the Rezoning Area in the manufacturing sector is a fraction of what it once was, and existing zoning has not achieved its stated goal of preserving manufacturing jobs and businesses. New zoning would complement existing uses, enhance the business environment by enlivening streets, usher in new retail services, spur housing development, and create a more robust mixed-use community.

Consequently, the Proposed Actions are necessary to address neighborhood and citywide planning goals like fostering economic recovery and resiliency, increasing access to housing, establishing a harmonious built form, and promoting the adaptive reuse of older buildings.

Together the Proposed Actions would:

Introduce residential use, promote equity in housing, and reinvigorate the retail and service sectors

Despite COVID-19-related shocks to the office market, the New York City economy has largely recovered from the worst of the pandemic job losses. In fact, the city has consistently added jobs at a higher rate than the DUs necessary to house new workers. Since 1980, the number of jobs in the city has grown by 35 percent while the number of residential units has only grown by 24 percent. More workers competing for a smaller universe of homes drive up the price of housing and are a direct contributor to homelessness, tenant harassment, and displacement. High housing costs place a considerable burden on the city's working families and exacerbate legacies of segregation, discrimination, and concentrated poverty that have led to neighborhood-based inequities and unequal access to resources and opportunities. One of the most direct ways to combat the city's housing crisis is to grow the stock of both market-rate and affordable housing.

While a limited number of residential conversions have occurred through legalizations under the Loft Law as well as use conversions and new construction allowed by BSA approvals, the Rezoning

Area's M1-6 manufacturing zoning does not allow residential use (Use Group II) as of right. This is a significant barrier to the equitable production of market-rate and affordable housing in a high-opportunity neighborhood close to transit and employment. No income-restricted affordable housing units exist in the M1-6 districts; the existing affordable housing stock is primarily units subject to rent regulation via the Loft Law and legally nonconforming residential units that predate the existing manufacturing zoning and are subject to rent stabilization laws. The limited number of residential conversions and ground-up developments in the past few decades have only provided market-rate units and made marginal contributions to the city's overall housing supply.

The absence of a residential population also has direct implications on the health of the microeconomy and street life. Although the daytime worker population supports an ecosystem of restaurants, convenience stores, banks, and other local services, businesses tend to close earlier than in areas with a more established, captive residential presence which translates to noticeably less activity after 5 p.m. and on weekends. This lack of demand limits the diversity of retail offerings and directly contributes to storefront vacancy. The Rezoning Area has a storefront vacancy rate of 15 percent, higher than New York City's overall 12 percent retail vacancy rate. Vacant and dark storefronts make for an unpleasant pedestrian experience and contribute to a sense that the Rezoning Area is unsafe or should be avoided, further eroding demand for goods and services. The Proposed Actions would allow residential use as of right in conversions, expansions, and new construction and implement the MIH program within the Rezoning Area. This proposal would help further the City's objective of increasing housing production across all five boroughs as articulated by Mayor Adams's City of Yes for Housing Opportunity (COYHO), a suite of zoning reforms with a goal to deliver 80,000 new homes to New Yorkers by 2033. A larger residential population would expand the number and diversity of retail stores and amenities, which would invigorate the public realm and contribute to greater economic stability.

Remove barriers to housing production

The experience of the M1-6D district provides valuable insight into the potential pent-up demand for housing in Midtown South. The roughly two-block M1-6D area consisting of the midblocks between Seventh and Eighth avenues from West 28th to West 30th streets has seen a remarkable transformation over the past decade. Prior to the 2011 rezoning from M1-5, this area languished with an overabundance of parking facilities and vacant lots. In the last 14 years, the former center of the city's fur trade has emerged as the Rezoning Area's densest sub-neighborhood. Although it represents just over five percent of the Rezoning Area, the M1-6D district contains approximately 38 percent of the total number of homes and 100 percent of the income-restricted affordable units in the Rezoning Area. Between 2011 and 2022, total built floor area in the M1-6D increased by almost 50 percent, an increase driven almost exclusively by 920,000 square feet of residential development. Across the same period, employment in the M1-6D area also rose by 44 percent.

Despite the success of the 2011 rezoning, the M1-6D district is still limited in how much residential capacity it can deliver. As a result of the 40,000-square-foot nonresidential floor area preservation requirement, the district has not seen any major conversions of the older loft buildings to residential use. This measure was intended to preserve the area's remaining production jobs, which tended to locate in larger buildings. However, despite these protections, the M1-6D area still lost approximately seven percent of its industrial jobs between 2011 and 2022. These data,

coupled with evidence from prior protectionist zoning proposals described in greater detail above, demonstrate that even the most well-intentioned land use policies are limited in their efficacy by macroeconomic changes continue to affect shrinking manufacturing and production businesses.

Recognizing that these outdated policies have had a chilling effect on housing production and only a marginal, if any, impact on preserving specific nonresidential uses, the City adopted a separate proposal—CHO—that eliminated commercial-to-residential conversion restrictions in most districts where such regulations exist. CHO entered public review on April 29, 2024 and was adopted by City Council on December 5, 2024. The Proposed Actions would remap the M1-6D district to allow for unrestricted residential development, bringing the MSMX plan into alignment with broader citywide policies. The Proposed Actions would remap the M1-6D district to allow for unrestricted residential development as well as eliminate the prohibition on residential conversions in buildings over 70,000 square feet in Subdistrict A-2 of the Garment Center, bringing the MSX plan into alignment with broader citywide policies.

Right-size the commercial real estate market and stabilize the city's property tax base

Midtown South's economic landscape has changed significantly since manufacturing zoning was put in place decades ago, consistent with citywide and regional macroeconomic trends and the shift toward an office- and service-oriented economy. However, the Rezoning Area's manufacturing zoning continues to prioritize traditional light industrial and related uses that have largely relocated to other parts of the city, region, and beyond, creating significant barriers for property owners and businesses who wish to respond to market and industry changes. The shift away from manufacturing toward retail, office, creative production, tech, and other commercial uses is consistent with economic conditions and land use trends around the Rezoning Area.

Prior to the COVID-19 pandemic, office vacancy rates for Manhattan averaged 10 percent. In the post-pandemic market, however, remote work has become more common and businesses are trimming their office footprints. As a result of these changes, Manhattan vacancy rates have soared to almost 19 percent. In certain portions of the Rezoning Area, vacancy rates are even higher. As leases begin to expire in the coming years and tenants opt for higher quality office space to better compete for talent, the outlook for the Class B and C office market is particularly dire. This outlook not only threatens landlords who depend on the income generated by their properties but endangers the financial stability of the entire city as consistently high vacancy rates may lead to depressed property values. One way the City has addressed this is through CHO's expansion of relaxed residential conversion rules (ZR Article I, Chapter 5) to non-residential buildings constructed before 1990, which would apply to most commercial buildings in the Rezoning Area. However, that policy change will not add any housing to the Rezoning Area if the M1-6 zoning, which does not allow housing as of right, were to remain. Therefore, the Proposed Actions would allow for the broadest possible range of residential, commercial, light industrial, and community facility uses as of right so that property owners have the flexibility to reposition their assets to respond to shifting demand.

Facilitate superior urban design and appropriate building form

While the Special Garment Center District and M1-6D district have bulk regulations that create contextual building envelopes, the existing bulk regulations in M1-6 districts do not always

facilitate building forms that relate harmoniously to the loft building context. Consequently, new development pursuant to the M1-6 sky exposure plane regulations have low base heights or shallow front setbacks that break the street wall and create an awkward pedestrian experience. The Proposed Actions would establish bulk regulations that respond to neighborhood context, including appropriate base and building heights and street wall requirements, and minimize the effects of new developments and enlargements on neighboring buildings.

Summary

Informed by existing land use and economic conditions in the Rezoning Area and the neighborhood, and citywide needs considering the ongoing housing crisis and the COVID-19 pandemic, the purpose of the Proposed Actions is to support the transformation of Midtown South into a dynamic, mixed-use neighborhood by addressing the area's significant challenges while respecting its unique economic legacy. By removing zoning barriers for businesses and property owners; allowing residential use and requiring affordable housing; and supporting more active, vibrant streetscapes, the Proposed Actions would ensure Midtown South's economic vitality, adaptability, and resilience; support citywide housing and equity goals; and expand access to the neighborhood's amenities and opportunities.