

CITY OF YES: ZONING FOR ECONOMIC OPPORTUNITY

SUMMARY OF CITY COUNCIL MODIFICATIONS AND COMMITMENTS

The following summarizes each of the eighteen “City of Yes” Zoning for Economic Opportunity (ZEO) citywide text amendment proposals and, where applicable, the final modifications made by the New York City Council to be voted on Wednesday, May 22nd at Subcommittee on Zoning and Franchises hearing.

In addition to modifications to the Zoning text, the Council also secured commitments from the administration to increase resources for effective enforcement of zoning, code, and other regulations by the Department of Buildings and the Office of Nightlife, to address the impacts of Last-Mile Warehouses on communities, and ensure the success of the forthcoming Local Law 172 of 2023 – Industrial Development Strategic Plan.

Key Terms:

R Zones: Residential districts

M Zones: Manufacturing districts

C Zones: Commercial districts

C1: Commercial districts that are predominantly residential in character, ranging from low-density C1 overlay districts to high-density C1-8 and C1-9 zoning districts

C2: Minor differences from C1, including allowing additional types of commercial service businesses

C1 and C2 Overlays: Commercial overlays (C1-1 through C1-5 and C2-1 through C2-5) mapped within residential districts, only allow commercial uses on the first and second floor

| ZEO Proposal & Community Concerns | City Council’s Zoning Modifications |
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| <p>1: Reactivate existing vacant non-conforming commercial storefronts in R zones.</p> <p>This created concerns about the unpredictability as to the type of business that could move into a vacant space.</p> | <p>Vacant non-conforming commercial storefronts can only be reactivated with what is allowed within C1 uses to ensure the business reactivating the storefront is appropriate for residential neighbors.</p> |
| <p>2: Consolidate rules for business types:</p> <ul style="list-style-type: none"> • Merge allowed uses in C1 and C2 districts • Merge allowed uses in C4 through C7 districts, such as allowing high-bulk commercial facilities and amusement parks in all districts in this range <p>This created concerns about the ability to preserve C1 districts as local retail commercial corridors that fit with residential neighborhoods.</p> | <ul style="list-style-type: none"> • Restore distinction between "C1" and "C2" overlays by exclusion of certain business types from "C1" districts, including laboratories, auto repair, gas stations, auto and boat dealers, lumber yards, and chemical, machinery, metal, and paper manufacturing • Restore distinction between "C1" and "C2" overlays by establishing size limits of 3,000 square feet for certain businesses in C1-1 through C1-4 overlays, including light manufacturing, indoor agriculture, banquet halls, and amusements. |
| <p>3: Expand opportunities for small-scale clean production by allowing light manufacturing up</p> | <ul style="list-style-type: none"> • Establish size limits of 3,000 square feet in C1-1 through C1-4 overlays (original proposal’s |

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| <p>to 5,000 square feet in C1/C2 overlay districts and 10,000 square feet in C4-C7 districts.</p> <p>This created concerns about potential nuisances from new uses and the proliferation of businesses that are not open to the public taking up storefront space.</p> | <p>5,000 square feet limitation applies in other C1 and C2 districts)</p> <ul style="list-style-type: none"> Exclude certain types of manufacturing, including chemicals, machinery, metal, and paper in C1 districts. |
| <p>4: Modernize loading dock rules by removing mandate for new tenants in existing buildings to provide additional loading docks based on a “change of use”</p> | <p>None</p> |
| <p>5: Enable commercial uses on upper floors of mixed-use buildings</p> <ul style="list-style-type: none"> Allow commercial uses on the second floor in C1 and C2 districts. Allow commercial uses to be above or on the same floor as residential in C4-C7 districts. <p>This created concerns about displacement of existing apartments by businesses, potential nuisances from new uses, and lack of confidence in DOB enforcement.</p> | <ul style="list-style-type: none"> Prohibit conversion of existing residential space for commercial uses (done by CPC) Prohibit rooftop bars above residential apartments, except in central business districts Require that amusement uses always be located below, not above, residential units. Strengthen performance standards to address noise, vibrations, and exhaust concerns |
| <p>6: Adopt a new standard for classifying businesses by replacing the 1961 use groups with simpler definitions based on the North American Industry Classification System (NAICS)</p> | <p>None</p> |
| <p>7: Permit indoor agriculture in commercial districts and clarify regulations regarding the use of outdoor spaces, such as yards.</p> <p>This created concerns about cannabis growers in local commercial corridors and industrial size farms in residential neighborhoods.</p> | <p>Prohibit indoor cultivation of cannabis in C1 and C2 districts and restrict the size of other indoor agriculture to 3,000 square feet in C1-1 through C1-4 overlays and 10,000 square feet in C2-1 through C2-4 overlays.</p> |
| <p>8: Permit life sciences research and product development facilities in more commercial districts.</p> <p>This created concerns about appropriate placement nearby residential neighborhoods in outer boroughs.</p> | <p>Prohibit labs in C1-1 through C1-4 overlays outside Manhattan</p> |
| <p>9: Support nightlife with common-sense dancing and entertainment rules</p> <p>This created concerns about noise and inability to enforce nightlife-related issues.</p> | <p>No zoning modification, but increased resources for additional staff in the Office of Nightlife to address nightlife-caused quality of life issues.</p> <p>(Note: There is already a 200-person capacity permitted for bars/restaurants with live music in C1 and C2 districts. This proposal would only allow dancing with the same capacity limits).</p> |
| <p>10: Permit amusement activities in all commercial districts.</p> | <p>Limit size to the following:</p> <ul style="list-style-type: none"> 3,000 square feet in C1-1 through C1-4 overlays |

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| <p>This created concerns about potential nuisances from new uses and about the size of amusements in commercial corridors near residential areas.</p> | <ul style="list-style-type: none"> • 5,000 square feet in C1-5, C2-1, C2-2, and C2-3, except for existing permitted uses in C2 district (bowling alleys up to 16 lanes, model car hobby centers, pool halls and billiard parlors, and escape rooms) • 10,000 square feet in C2-4 and C2-5 |
| <p>11: Modernize rules for businesses that operate out of peoples' homes from limitations of 25% of the home or 500 square feet, 1 employee, and 11 types disallowed to up to 49% of a home, no square feet cap, up to 3 employees, and no prohibitions on types of businesses.</p> <p>This created concerns about noise, exhaust and odors, and non-residents accessing a building.</p> | <ul style="list-style-type: none"> • Add a 1,000 square foot cap on size and clarified that home occupations cannot utilize residential common areas (done by CPC) • Reduce allowance to only 1 employee (as is currently permitted) • Maintain current prohibition on animal-related businesses |
| <p>12: Introduce design rules to improve streetscapes with three tiers of design guidelines</p> | <p>None</p> |
| <p>13: Require Board of Standards and Appeals (BSA) special permit for “light” auto repair uses in C1-C7 districts (currently allowed as-of-right in C2-C7 districts, while heavy auto repair businesses would still only be allowed in C8 and M districts)</p> <p>This created concerns about allowing light auto repair in C1 districts where it is not allowed today, the concentration of auto servicing shops in certain areas, and current lack of enforcement being exacerbated.</p> | <ul style="list-style-type: none"> • Prohibit all auto repair uses in C1 districts • Strengthen BSA special permit for light auto uses in C2-C7 districts, with a focus on concentration effects. |
| <p>14: Define and allow micro-distribution centers, permitting small storage and delivery businesses in commercial districts, limited to 2,500 square feet in C1/C2 districts and 5,000 square feet in C4-C7 districts.</p> <p>This created concerns about concentration and effects on streetscape and neighboring businesses.</p> | <p>Require BSA special permit for micro-distribution centers in C1 and C2 districts outside Manhattan, with a focus on concentration effects.</p> |
| <p>15: Create a process to allow up to 15,000 square feet of commercial uses on the ground floor within residential campuses such as NYCHA or Mitchell Lama through a City Planning Commission (CPC) authorization.</p> <p>This created concerns about maintaining resident participation in planning decisions that only require CPC authorization rather Council review).</p> | <p>Modify CPC authorization to a CPC special permit that requires full ULURP, including Council review, for campus commercial applications.</p> |
| <p>16: Create a process to authorize corner stores in residential areas, allowing up to 2,500 square feet of retail, service, or office space on the ground floor of corner lots within R districts.</p> | <p>Remove this proposal</p> |

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| <p>This created concerns about maintaining the residential character of quiet residential blocks, and that these additions detract from the goal to fill existing vacant storefronts.</p> | |
| <p>17: Create a waiver/relief process for limited changes to height and bulk rules for unique businesses.</p> <p>This created concerns about the scope of relief available through authorization.</p> | <p>Ensure reasonable limitations to the scope of authorization for a height/bulk waiver.</p> |
| <p>18: Create new framework for Manufacturing zones at the request of the Council that would establish new types of manufacturing districts to be mapped in future rezonings to grow industrial jobs by protecting “core” industrial areas and supporting mixed industrial-commercial projects.</p> | <p>Revise to strengthen new M zones to better protect and support industrial jobs</p> <ul style="list-style-type: none"> • Reduce allowed commercial uses in core industrial districts (M3A) to 10,000 square feet per zoning lot • Strengthen bonus for industrial space in transition districts (M2A) • Require setback from waterfront bulkhead to preserve maritime freight access • No big box retail stores in any new M districts, with the exception of supermarkets in M1A and M2A districts • Remove art galleries from allowed industrial uses for M2A and M3A districts but allow art studios and production. • This proposal would create new manufacturing districts for future applications, with full ULURP and environmental review |

Additional Non-Zoning Commitments:

1. Last Mile Warehouses and Freight

The City commits to:

- Propose and advance a zoning change that would regulate last-mile facilities via CPC special permit process, with stakeholder engagement beginning this calendar year and a zoning application to require a special permit to begin by March 2025.
- Work with the Council to advance legislation that regulates emissions associated with warehouse operations by the end of 2024.
- Continue to develop the "Blue Highway" program to support waterborne freight as an alternative to truck traffic.

2. Effective Enforcement of Zoning Code and Quality of Life Issues

The City commits to:

- Baseline \$4.7 million in funding for 60 new Department of Buildings staff positions to launch a new proactive enforcement program, conduct additional follow-up inspections for compliance, and expand legal action against bad actors
- Provide additional resources to the Office of Nightlife, including an increase in staffing for four new full-time employees to provide an after-hours team to assist nightlife businesses in operating in compliance with all laws and regulations and conduct various business engagement and complaint resolution during evening and nighttime hours.

3. Financial Incentive Study for Industrial Investment

- The City commits to explore the use of new financial incentives for industrial spaces in mixed-use buildings as part of the new zoning and Local Law 172 of 2023's forthcoming Industrial Development Strategic Plan.