



CITY PLANNING COMMISSION

January 6, 2016 / Calendar No. 6

C 150385 ZSM

IN THE MATTER OF an application submitted by 323 Equities LLC pursuant to Sections 197-c and 201 of the New York City Charter for the grant of a special permit pursuant to Section 74-711 of the Zoning Resolution to modify the use regulations of:

1. Section 42-14(D)(2)(b) - to allow retail uses (Use Group 6 uses) on portions of the ground floor and the cellar; and
2. Section 42-10 – to allow residential uses (Use Group 2 uses) on portions of the ground floor, and on the 2nd – 4th floor;

of an existing 4-story building, on property located at 323 Canal Street (Block 230, Lot 6), in an M1-5B Zoning District, within the SoHo Cast-Iron Historic District, Borough of Manhattan, Community District 2.

The application was filed by 323 Equities LLC on May 21, 2015 for a special permit pursuant to Section 74-711 of the Zoning Resolution to modify the use regulations of Section 42-10 to allow residential use (Use Group 2) on portions of the ground floor, the entire second through fourth floors, and Section 42-14(D)(2)(b) to allow retail uses (Use Group 6) below the level of the second story of an existing four-story building located at 323 Canal Street (Block 230, Lot 6). The project site is located in an M1-5B Zoning District within the SoHo Cast-Iron Historic District, in Manhattan Community District 2.

BACKGROUND

323 Canal Street is a four-story building located on the north side of Canal Street, between Greene Street and Mercer Street, at the southern edge of the SoHo Cast-Iron Historic District. The surrounding SoHo neighborhood is generally developed with three- to seven-story buildings that represent a mix of rowhouses and loft buildings. Once a primarily manufacturing neighborhood, over the years the area has evolved into a vibrant mixed-use district. While the upper floors in many of these buildings have been converted to various forms of dwellings, including Joint Living-Work Quarters for Artists (JLWQA), Interim Multiple Dwellings (IMD) and Use Group 2 residential units, others contain as-of-right uses including offices, art galleries, and other

commercial uses. Ground floor uses primarily consist of a mix of home furnishing stores, clothing stores and eating and drinking establishments.

As documented in the 1973 SoHo Cast-Iron Historic District Designation Report, the 323 Canal Street was constructed in 1821 as a Federal style rowhouse and altered in mid-19th century to accommodate a commercial ground floor. The building is currently vacant but historically contained retail uses at the street level and residential uses on the upper floors. The building was acquired by its current owner, the applicant, in 1998, by which time the upper floors of the building had been vacant. The ground floor was occupied by retail establishments up until 2012.

In Spring 2013, the applicant became aware that the building's front and rear façades were structurally unsound. In August 2013, DOB approved the applicant's plans for emergency deconstruction of both facades. The building has since been stabilized and prepared for further restoration.

323 Canal Street has a lot area of approximately 2,365 square feet. The existing four-story building stands 48 feet in height, and has a built FAR of 2.0. It is located within an M1-5B Zoning District, which permits light industrial and commercial uses as-of-right up to 5.0 FAR and community facility uses up to 6.5 FAR. Residential use (Use Group 2) is not allowed pursuant to ZR Section 42-10, and retail use (Use Group 6) is not permitted below the level of the second story pursuant ZR Section 42-14(D)(2)(b). Therefore, the applicant is seeking a special permit pursuant to ZR 74-711 to modify the use regulations in the M1-5B District to facilitate the proposed project.

The special permit would facilitate retail uses on the ground floor and the cellar of 323 Canal Street and three residential units located on floors two through four; a small portion of the ground floor would be occupied by a residential lobby. As part of the proposed development, an as-of-right enlargement would expand the second and third floors in the rear of the building by approximately 465 square feet each. The enlarged building, which would have approximately 5761 square feet of zoning floor area and a total FAR of 2.4, would remain compliant with the bulk regulations in the M1-5B district. Terraces would be located on the rooftops of the ground floor and third floor.

On September 30, 2014, the City's Landmark Preservation Commission (LPC) issued a Certificate of Appropriateness (COFA 16-3174), approving the expansion and alterations at the rear of the building, the construction of a dormer, and other façade work and renovations. The application includes a report from the Landmarks Preservation Commission stating that a continuing maintenance program has been established that will result in the preservation of the building, and that the proposed use and bulk modifications contribute to a preservation purpose.

The applicant also filed an application seeking a special permit pursuant to Section 74-711 (C 150384 ZSM) to allow Use Group 6 retail use and Use Group 2 residential use in the adjacent building at 321 Canal Street.

ENVIRONMENTAL REVIEW

This application (C 150385 ZSM) was reviewed pursuant to the New York State Environmental Quality Review Act (SEQRA), and the SEQRA regulations set forth in Volume 6 of the New York Code of Rules and Regulations, Section 617.00 et seq. and the City Environmental Quality Review (CEQR) Rules of Procedure of 1991 and Executive Order No. 91 of 1977. The designated CEQR number is 16DCP027M. The lead agency is the City Planning Commission.

After a study of the potential impacts of the proposed actions, a Negative Declaration was issued on September 8, 2015. The Negative Declaration included an (E) designation (E-365) for air quality and noise to avoid the potential for significant adverse impacts, as described below:

The text for the (E) designation related to air quality is as follows:

Any new residential and/or commercial development on Block 230, Lot 6 must exclusively use natural gas as the type of fuel for HVAC systems and hot water equipment, and ensure that the heating, venting and air conditional and/or the hot water equipment stack(s) is located at least 30 feet away from the lot line facing Grand Street, to avoid any potential significant air quality impacts.

The text for the (E) designation related to noise is as follows:

For any new residential and/or commercial development on Block 230, Lot 6, a closed window condition with a minimum of 35dB(a) window/wall attenuation must be provided in order to maintain an acceptable interior noise level.

With the implementation of the above (E) designation (E-365), no significant adverse impacts related to air quality and noise would occur.

UNIFORM LAND USE REVIEW

This application (C 150385 ZSM) was certified as complete by the Department of City Planning on September 8, 2015, and was duly referred to Manhattan Community Board 2 and Manhattan Borough President, in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b).

Community Board Public Hearing

Community Board 2 held a public hearing on this application (C 150385 ZSM) on October 22, 2015, and on that date, by a vote of 36 to 0 with no abstentions, adopted a resolution recommending approval of the application with the condition that the building of 323 Canal Street not be combined with the applicant's abutting property located at 321 Canal Street, and that the cellar be limited to accessory uses only.

Borough President Recommendation

The application (C 150385 ZSM) was considered by the Borough President, who issued a recommendation for approval on November 24, 2015.

City Planning Commission Public Hearing

On November 18, 2015 (Calendar No. 3), the City Planning Commission scheduled December 2, 2015, for a public hearing on this application (C 150385 ZSM). The hearing was duly held on December 2, 2015 (Calendar No. 11). There were three speakers in favor of the application and none in opposition.

The applicant's land use counsel spoke in favor of the application, describing the proposed project, the actions being sought for approval and further explaining how the proposed project meets the findings of Section 74-711 of the Zoning Resolution. She also confirmed that the owner has no intention or plans to combine the two buildings located at 321 and 323 Canal Street.

The director of Development at United American Land, a representative of the owner, spoke in favor of the project and provided additional information on the history of the building.

A representative of the Manhattan Borough President's Office reiterated the Borough President's approval of the application.

There were no other speakers and the hearing was closed.

CONSIDERATION

The Commission believes that the grant of this special permit is appropriate.

This Special Permit would allow the ground floor and the cellar to be used for retail uses, and floors two through four and a small portion of the ground floor to be occupied by residential uses in the building located at 323 Canal Street.

The Commission notes that, historically, the building contained retail uses at the street level and residential uses on the upper floors, and believes that the proposed modification of the use regulations to allow the new residential and retail uses at 323 Canal Street will have minimal adverse effects on the conforming uses within the building and in the surrounding area.

The Commission believes that this action would not displace or adversely affect any conforming uses within the building, as the ground floor of the building has been vacant for four years and the upper floors have been vacant even longer. The Commission recognizes that the surrounding area has evolved from a primarily manufacturing district to an area with a dynamic mix of uses, including residential use, artist live-work spaces, offices, retail and other commercial uses, and a few remaining manufacturing uses. Therefore, the Commission believes that the proposed

residential and retail uses are consistent with the prevailing land use pattern found in the surrounding area.

The Commission acknowledges the Community Board's concern regarding large retail establishments and its longstanding preference for small, local retail establishments in the SoHo area. The Commission notes that the applicant's representatives have stated that the owner has no plans to combine the two buildings located at 321 and 323 Canal Street respectively, and notes that should such plans be pursued in the future, a separate land use application would need to be pursued.

The Commission is also in receipt of a report from the Landmarks Preservation Commission stating that it has reviewed the proposal and that a program has been established for continuing maintenance that will result in the preservation of the subject building, and that the required restoration work under the continuing maintenance program contributes to a preservation purpose. The continuing maintenance program is contained within a restrictive declaration entered into in connection with this application. The Commission concurs with the Borough President that the redevelopment and improvement of this building, to be facilitated by this special permit, will enhance the architectural and historic built fabric of Canal Street and the SoHo Cast-Iron Historic District.

FINDINGS

The City Planning Commission hereby makes the following findings pursuant to Section 74-711 (Landmark preservation in all districts) of the Zoning Resolution:

- (1) [This finding is not applicable; no bulk modification is being requested]
- (2) Such use modifications shall have minimal adverse effects on the conforming uses within the building and in the surrounding area.

RESOLUTION

RESOLVED, that the City Planning Commission finds that the actions described herein will have no significant impact on the environment; and be it further

RESOLVED, by the City Planning Commission, pursuant to Sections 197-c and 200 of the New York City Charter, that based on the environmental determination, and the consideration and findings described in this report, the application submitted by 323 Equities LLC pursuant to Sections 197-c and 201 of the New York City Charter for the grant of a special permit pursuant to Section 74-711 of the Zoning Resolution as follows:

1. to modify the use requirements of Section 42-14D(1)(b) to allow retail uses (Use Group 6) on portions of the ground floor and the cellar;
2. to modify the use requirements of Section 42-10 to allow residential uses (Use Group 2) on portions of the ground floor, and on the 2nd – 4th floor;

of an existing four-story building on property located at 323 Canal Street (Block 230, Lot 6), in an M1-5B Zoning District, within the SoHo Cast-Iron Historic District, Borough of Manhattan, Community District 2, is approved, subject to the following terms and conditions:

1. The property that is the subject of this application (C 150385 ZSM) shall be developed in size and arrangement substantially in accordance with the dimensions, specifications and zoning computations indicated on the following approved plans, prepared by Page Ayres Cowley Architects, filed with this application and incorporated in this resolution:

<u>Dwg. No.</u>	<u>Title</u>	<u>Last Date Revised</u>
G-100.0	Site Plan	07/24/2015
Z-100.0	Zoning Analysis	08/28/2015
A-100.0	Proposed Cellar Floor Plan	07/24/2015
A-101.0	Proposed First Floor Plan	07/24/2015
A-102.0	Proposed Second Floor Plan	07/24/2015

A-103.0	Proposed Third Floor Plan	07/24/2015
A-104.0	Proposed Fourth Floor Plan	07/24/2015
A-300.0	Proposed Section North-South	08/28/2015
A-301.0	Proposed Section East-West	07/24/2015

2. Such development shall conform to all applicable provisions of the Zoning Resolution, except for the modifications specifically granted in this resolution and shown on the plans listed above which have been filed with this application. All zoning computations are subject to verification and approval by the New York City Department of Buildings.
3. Such development shall conform to all applicable laws and regulations relating to its construction, operation and maintenance.
4. In the event the property that is the subject of the application is developed as, sold as, or converted to condominium units, a homeowners' association, or cooperative ownership, a copy of this resolution and the restrictive declaration described below and any subsequent modifications to either document shall be provided to the Attorney General of the State of New York at the time of application for any such condominium, homeowners' or cooperative offering plan and, if the Attorney General so directs, shall be incorporated in full in any offering documents relating to the property.
5. All leases, subleases, or other agreements for use or occupancy of space at the subject property shall give actual notice of this special permit to the lessee, sub-lessee or occupant.
6. Development pursuant to this resolution shall be allowed only after the restrictive declaration dated December 22, 2015, executed by 323 Equities LLC, the terms of which are hereby incorporated in this resolution, shall have been recorded and filed in the Office of the Register of the City of New York, New York County.

7. Upon the failure of any party having any right, title or interest in the property that is the subject of this application, or the failure of any heir, successor, assign, or legal representative of such party, to observe any of the covenants, restrictions, agreements, terms or conditions of this resolution and the attached restrictive declaration whose provisions shall constitute conditions of the special permit hereby granted, the City Planning Commission may, without the consent of any other party, revoke any portion of or all of said special permit. Such power of revocation shall be in addition to and not limited to any other powers of the City Planning Commission, or of any other agency of government, or any private person or entity. Any such failure or breach of any of the conditions as stated above, may constitute grounds for the City Planning Commission or the City Council, as applicable, to disapprove any application for modification, renewal or extension of the special permit hereby granted or of the attached restrictive declaration.

8. Neither the City of New York nor its employees or agents shall have any liability for money damages by reason of the city's or such employee's or agent's failure to act in accordance with the provisions of this special permit.

The above resolution (C 150385 ZSM), duly adopted by the City Planning Commission on January 6, 2016 (Calendar No. 6), is filed with the Office of the Speaker, City Council, and the Borough President together with a copy of the plans of the development, in accordance with the requirements of Section 197-d of the New York City Charter.

CARL WEISBROD, *Chairman*

KENNETH J. KNUCKLES, *Esq.*, *Vice Chairman*

RAYANN BESSER, IRWIN G. CANTOR, P.E., ALFRED C. CERULLO, III, MICHELLE R. DE LA UZ, JOSEPH I. DOUEK, RICHARD W. EADDY, CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN, ORLANDO MARIN, LARISA ORTIZ *Commissioners*

Tobi Bergman, *Chair*
Terri Cude, *First Vice Chair*
Susan Kent, *Second Vice Chair*
Bob Gormley, *District Manager*



Antony Wong, *Treasurer*
Keen Berger, *Secretary*
Susan Wittenberg, *Assistant Secretary*

COMMUNITY BOARD NO. 2, MANHATTAN

3 WASHINGTON SQUARE VILLAGE

NEW YORK, NY 10012-1899

www.cb2manhattan.org

P: 212-979-2272 F: 212-254-5102 E: info@cb2manhattan.org

Greenwich Village ♦ Little Italy ♦ SoHo ♦ NoHo ♦ Hudson Square ♦ Chinatown ♦ Gansevoort Market

October 26, 2015

Carl Weisbrod, Director
City Planning Commission
22 Reade Street
New York, NY 10007

Dear Mr. Weisbrod:

At its Full Board meeting on October 22, 2015, CB#2, Manhattan (CB#2-Man.), adopted the following resolution:

1a. *321 Canal Street (north side between Mercer and Green Streets) located in an M1-5B zone in the SoHo Cast Iron Historic District. Application C 150384 ZSM to the City Planning Commission for a special permit pursuant to ZR 74-711 to allow retail uses below the second story and residential on floors 2-4

1b. *323 Canal Street (north side, between Mercer and Green Street) in an M1-5B zone in the SoHo Cast Iron Historic District. Application C 150385 ZSM to City Planning Commission for a special permit pursuant to ZR 74-711 to allow retail uses below the second story and residential use on floors 2-4.

Note: The two properties are separate but adjacent to each other and are being renovated by the same applicant.

Whereas:

1. These buildings are badly in need of rehabilitation and restoration.
2. The proposed change of use is consistent with neighboring buildings on Canal Street and the surrounding area.
3. The owner's representative alleged that the buildings have been unoccupied for 20 years but could not provide further details relative to the buildings' history.

Therefore, be it resolved that CB2, Man. approves this application on condition that the applicant not combine the two buildings and to limit the cellar to accessory use only.

Vote: Unanimous, with 36 Board members in favor.

Please advise us of any decision or action taken in response to this resolution.

Sincerely,



Tobi Bergman, Chair
Community Board #2, Manhattan



Anita Brandt, Chair
Land Use & Business Development Committee
Community Board #2, Manhattan

TB/fa

c: Hon. Jerrold Nadler , Congressman
Hon. Daniel Squadron, NY State Senator
Hon. Deborah J. Glick, Assembly Member
Hon. Gale A. Brewer, Man. Borough President
Hon. Margaret Chin, Council Member
Sylvia Li, Department of City Planning
Calendar Officer, Department of City Planning



OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

1 Centre Street, 19th floor, New York, NY 10007
(212) 669-8300 p (212) 669-4306 f
431 West 125th Street, New York, NY 10027
(212) 531-1609 p (212) 531-4615 f
www.manhattanbp.nyc.gov

Gale A. Brewer, Borough President

November 24, 2015

**Recommendation on ULURP Application No. C 150358 ZSM - 323 Canal Street
By 323 Equities LLC**

323 Equities LLC¹ (“the applicant”) seeks a special permit pursuant to Section 74-711 of the Zoning Resolution (“ZR”) to modify use regulations of § 42-10 to allow Use Group 6 (commercial use) on the ground and cellar floors and Use Group 2 (residential use) on floors two through four of an existing four story building located at 323 Canal Street (Block 230, Lot 6) on the north side of Canal Street between Greene and Mercer streets. The site is located in an M1-5B district within the SoHo-Cast Iron Historic District of Manhattan Community District 2.

Pursuant to ZR § 74-711, applicants may request a special permit to modify the use regulations of zoning lots that contain landmarks or are within historic districts as designated by the Landmarks Preservation Commission (“LPC”).

In order for the City Planning Commission (“CPC”) to grant use modifications, the applicant must first meet the following conditions:

1. the LPC has issued a report stating that the applicant will establish a continuing maintenance program for the preservation of the subject building or buildings and that such use or bulk modifications, or restorative work required under this continuing maintenance program will contribute to a preservation purpose;²
2. the application shall include a Certificate of Appropriateness, other permit, or report from LPC stating that such bulk modifications relate harmoniously to the subject landmark building in the Historic District³; and
3. the maximum number of permitted dwelling units is as set forth in ZR § 15-111⁴.

Further, in order to grant a special permit, the CPC must find that:

1. the modifications shall have minimal adverse effects on the structures or open space in the vicinity in terms of scale, location and access to light and air; and
2. such modifications shall have minimal adverse effects on the conforming uses within the building and in the surrounding area.

¹ 323 Equities LLC is a domestic limited liability company represented by Albert Laboz of United American Land

² The LPC issued a report on September 30, 2014

³ The LPC issued a Certificate of Appropriateness on September 30, 2014

⁴ Pursuant to ZR § 15-111, up to 4 dwelling units would be permitted at this site. As proposed, this building will have three dwelling units.

PROJECT DESCRIPTION

The applicant seeks a special permit pursuant to ZR § 74-711 to permit Use Group 6 (office space) on the first and ground floors and Use Group 2 (residential) on floors two through four in an existing building. The project would allow the conversion of a currently vacant four-story building to commercial and residential use. The project will consist of one commercial space occupying the ground floor with storage in the cellar and three residential units on the upper floors: one 2-bedroom unit with a terrace on the second floor; one 2-bedroom unit on the third floor with a staircase that leads to a terrace on the rear of the first floor roof; and a one-bedroom unit on the fourth floor with a terrace. The residential area, including the ground floor lobby, will occupy 3,605.31 total square feet.

The project site is approximately 2,364.92 square feet with 18 feet of frontage on the northern side of Canal Street bounded by Mercer Street to the east and Greene Street to the west. The project site is located within an M1-5B zoning district which permits light manufacturing, commercial and community facility uses; joint-live working quarters are permitted as a light manufacturing use. The manufacturing and commercial maximum floor area ratio (FAR) is 5.0 and community facility FAR is 6.5. Buildings are allowed a front wall height of 85 feet or 6 stories, after which buildings must setback 20 feet on a wide street.

The subject building was designed by an unknown architect in the Federal style in 1821 as a dwelling. The building was altered in the middle of the 19th century to accommodate a commercial ground floor that extends to the rear lot line. Through at least the early 1900's, the ground floor was used for millinery, publishing and gentlemen's furnishings. The applicant purchased the building in 1988. The building does not have a Certificate of Occupancy.

Area Context

The project site is located in a M1-5B zoning district in the SoHo-Cast Iron Historic District in Community District 2, Manhattan. The SoHo-Cast Iron Historic District was designated by the Landmark's Preservation Commission in 1973 as an effort to preserve the city's cultural and historic heritage of the brick, stone, mixed iron and masonry commercial construction of the post-Civil War period⁵. The SoHo-Cast Iron Historic District consists of 26 blocks containing 500 buildings and is the largest concentration of full and partial cast-iron façades in the world. The district is bounded by West Houston Street, Crosby Street, Howard Street, Broadway, Canal Street and West Broadway. The project area is north of the Tribeca East Historic District, historically the commercial and industrial center of the city. Designated in 1992, the Tribeca East Historic District includes ornate store and loft buildings developed in the mid-19th to early 20th century. To the east of the site is the SoHo-Cast Iron Historic District Extension, designated in 2010, as an effort to preserve the continuity of the streetscape of cast iron architecture along Crosby and Howard Streets developed in the post-Civil War era.

⁵ SoHo-Cast Iron Historic District Designation Report, 1973.
http://www.nyc.gov/html/lpc/downloads/pdf/reports/SoHo_HD.pdf

The neighborhood generally consists of four to seven-story buildings that are either mixed commercial/residential uses or mixed commercial/office uses with ground floor retail. The dominant zoning district in the area is M1-5B north of Canal and C6-2A south of the site below Canal Street. While residential use is not permitted as-of-right, joint live/work quarters for artists (JLWQA) are a permitted conforming use within the greater NoHo and SoHo neighborhoods. In addition, ground floor retail is not allowed in the M1-5B and M1-5A districts below the level of the second story.

The area is well served by mass transit with the N/Q train entrance one block east at Canal Street and Broadway, the A/C/E trains three blocks southwest at Canal Street and West Broadway and additional trains farther east of the site at the intersection of Canal, Broadway and Lafayette. The M5 bus runs south on Broadway and there are multiple Citibike bicycle stations north and south of the site.

Proposed Actions

The applicant seeks a special permit pursuant to ZR §74-711 to modify the use regulations of §42-14(D)(2)(b) to allow retail uses (Use Group 6) on portions of the ground floor and cellar and §42-10 to allow residential uses (Use Group 2) on portions of the ground floor and the second through fourth floors of an existing 4-story building. The building will also be enlarged as-of-right per zoning with a rear extension on floors two and three for handicapped accessibility.

As described in the application materials and Certificate of Appropriateness, the proposed scope of work is for alterations to the rear facade, including construction of a two-story rear yard addition, exterior stair leading from the third floor to a deck on the existing first floor rear extension, construction of a dormer at the rear slope of the roof, casement windows and a door to a deck on the roof of the proposed addition. The applicant has agreed to restore the building's historically significant features by reconstructing the Canal Street façade, preserving the character defining pitched roof with brick cladding, aligning a new rear dormer with the rear historic façade including clapboards on the sides, multi-light double-hung windows on the second and third floors, and casement windows on the fourth floor. The applicant has committed to maintain the building in a first class condition.

The Building will conform to all other applicable height, setback and floor area regulations.

COMMUNITY BOARD RECOMMENDATION

At its Full Board meeting on October 22, 2015 Manhattan Community Board 2 ("CB2") recommended approval of this application under the condition that the applicant does not combine 321 and 323 and that the cellar of the building be used for accessory use only. CB2 wrote that the building is in need of rehabilitation and restoration and the proposed change of use is consistent with the existing uses on Canal Street and the neighborhood.

BOROUGH PRESIDENT'S COMMENTS

The special permit pursuant to ZR § 74-711 is a tool to modify use or bulk restrictions set in the Zoning Resolution in order to make the ownership and preservation of historic buildings less financially burdensome. In order to grant these waivers associated with this special permit, the applicant must ensure the property will be properly rehabilitated and maintained in perpetuity. The applicant has undertaken significant restoration of the building based on recommendations from the LPC.

The applicant for 323 Canal Street is seeking a special permit pursuant to ZR § 74-711 to modify use regulations to allow for residential and commercial occupancy of a currently vacant 4-story building in the SoHo-Cast Iron Historic District. The LPC has found the applicant's proposed restoration and maintenance plan will contribute to a preservation purpose.

The applicant states they have owned the subject building since the late 1980s and it has been vacant for at least 20 years. However, the LPC report states the property was issued warning letters for the "removal of ground floor storefront without permits," in 1994, "installation of a flagpole and stretch banner," "signage covering 2nd floor windows without permits" in 2002, and "installation of signage at the western-most ground floor entrance without permits" in 2002. The nature of the violations implies that at minimum, the ground floor was occupied by a retail tenant for some portion of the current ownership tenure. It is disappointing that the application materials and communication by the applicant does not reflect this reality.

The Community Board raised concerns about the potential opportunity to combine the proposed commercial space of the subject building with the adjacent property, 321 Canal Street, which is currently under the same ownership as the subject property, 323 Canal Street, and is also seeking a special permit (C 150384 ZSM) pursuant to ZR § 74-711. The applicant has provided a letter dated November 17, 2015 to our office stating they have no intention on merging the buildings and are seeking the permitting of two separate commercial spaces through ULURP.

Recommendations from this office over the last year have repeatedly raised concerns over the continued use of special permits to eliminate conforming uses in favor of residential use in the SoHo and NoHo historic districts. In light of these concerns, such nascent efforts are underway to begin the work of understanding the true zoning and land use landscape of these neighborhoods and the aggregate impact of the overwhelming number of use change applications that have been approved. We have repeatedly voiced concerns over the troubling possibility that any recommendations from any study would come too late to stop a *de facto* rezoning by special permit. However, in this particular case, the SoHo-Cast Iron Historic District designation report states the subject building was constructed as a dwelling in 1821 and the ground floor was altered in the 19th century to accommodate a commercial space. The history of violations also indicates, if not a continuous retail presence, an often present one, so there is no true loss in manufacturing space that has often been a concern in other similar applications. Therefore, there would be no significant adverse zoning impacts in the Historic District from the approval of this special permit.

The building's occupancy and use history indicates that it does not raise the concerns to which this office has become so sensitive in cases of special permits to allow for residential use in SoHo and NoHo. Because of its size and history this special permit does not involve the loss of Joint Live Work Quarters for Artists (JLWQA) or other types of protected units. In addition, although the Borough President would like to see all residential development contribute to affordable housing, given the current thresholds outlined in the Mandatory Inclusionary Housing program design under public review at this time, (N 160051 ZRY) this building would fall well below the criteria for consideration.

The applicant meets the conditions and findings for a special permit for a use modification pursuant to ZR § 74-711. Under CEQR, the proposed actions were determined to not have an adverse impact on the environment and surrounding uses and issued a Negative Declaration. In addition, the restoration of the building's significant features, such as the Canal Street historical façade will ensure that another piece of the historic district is maintained in perpetuity.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP application No. C 150358 ZSM.

A handwritten signature in black ink that reads "Gale A. Brewer". The signature is written in a cursive, flowing style.

Gale A. Brewer
Manhattan Borough President