



# Citywide Hotels Text Amendment

CEQR No. 21DCP111Y

ULURP No.: N210406ZRY

November 30, 2021

## Technical Memorandum

### Introduction

This Technical Memorandum summarizes the potential environmental effects related to modifications proposed by the City Council to the Citywide Hotels Text Amendment that was previously analyzed in the October 8, 2021 Citywide Hotels Text Amendment Final Environmental Impact Statement (FEIS)—specifically, the modification of the proposed zoning text to include an additional provision related to vesting within the Theater Subdistrict of the Special Midtown District. As set forth below, this Technical Memorandum concludes that the application with the modification would not result in any new significant adverse impacts and would not change the conclusions in the October 8, 2021 FEIS.

### Background

To create a more consistent zoning framework for new hotels; to address conflicts with nearby commercial, industrial, and residential uses that new transient uses may introduce; and to avoid the potential for hotel development to impair the future use and development of areas around a new hotel, the Department of City Planning (DCP) proposed a citywide zoning text amendment to establish a new Special Permit under the jurisdiction of the New York City Planning Commission (CPC) for new hotels, motels, tourist cabins, and boatels in C1, C2, C4, C5, C6, C8, and Mixed-Use (MX) and paired M1/R districts. The Proposed Action would create a more consistent framework for hotel development citywide and ensure that new hotels are established on appropriate sites, based on reasonable considerations regarding the hotel development's impact on the future use and development of the surrounding area.

To address the potential loss of hotel inventory citywide related to the closure of hotels due to the COVID-19 pandemic, DCP proposed provisions that would allow adaption, expansion and reopening of existing hotels, and modified vesting provisions to allow to move forward hotel projects in the development process with a filed application by the date of referral and New York City Department of Buildings (DOB) zoning plan approval by the date of adoption. Under the Proposed Action, applications for hotels filed prior to 2018 would need to obtain a foundation permit by the date of adoption. In addition, active or recently approved applications with DCP or the New York City Board of Standards and Appeals (BSA) facilitating new hotels would be excluded from the Proposed Action.

The Department of City Planning (DCP), on behalf of CPC, determined that the Proposed Action as analyzed in an FEIS dated October 8, 2021 would have significant adverse impacts on socioeconomic conditions,

specifically to the hotel and tourism industries. A Notice of Completion for a Final Environmental Impact Statement was issued on October 8, 2021. Following publication of the FEIS, the CPC adopted the Proposed Action on October 20, 2021 (the Approved Application) and referred the application to the City Council.

Since the CPC's adoption of the Approved Application, the City Council requested that the proposed zoning text be modified to include an additional provision in the vesting section of the zoning text (Potential Modification). This Technical Memorandum examines whether the Potential Modification would result in any new or different significant adverse environmental impacts not already identified in the FEIS.

## Description of Potential City Council Modification

The Potential Modification consists of an addition to the vesting regulations section of the zoning text.

In the Approved Application, hotel projects in the development process with a filed DOB application by the date of referral and DOB zoning plan approval within one year after the date of adoption would be vested under current zoning until six years from the date of adoption. However, applications for hotels filed at DOB prior to 2018 must also obtain a foundation permit within one year after the date of adoption.

The Potential Modification would include an additional vesting provision that would affect potential hotel developments in the Theater Subdistrict of the Special Midtown District, as follows:

(3) In the case of an application filed after [date of adoption] for a #development# containing a #transient hotel# on a #zoning lot# located in the Theater Subdistrict of the Special Midtown District that as of [date of adoption] (a) has a #lot area# of 20,000 square feet or more; and (b) for which at least 10,000 square feet of such #lot area# is clear of #buildings# or is occupied by #buildings# which are substantially vacant, or any combination thereof, the provisions of paragraph (d)(1)<sup>1</sup> of this Section shall not apply. In lieu thereof, if on or before [two years following the date of adoption], the Department of Buildings has approved an application for a foundation or a new #building#, based on a complete zoning analysis showing zoning compliance for such #transient hotel#, such application may be continued, and construction may be started or continued. The application may be revised and retain vested status, including where the #floor area# for the #transient hotel# is increased thereafter by no more than 20 percent of total #floor area#. For purposes of this provision, the term "substantially vacant" shall mean that at least ninety percent of the #floor area# of a #building# is unoccupied.

This additional section would provide an additional vesting provision for future developments of transient hotels within the Theater Subdistrict of the Special Midtown District. As such, it could allow a greater number of hotel rooms to be developed.

## Environmental Assessment of Potential Modification

The Potential Modification has implications for the Reasonable Worst Case Development Scenario (RWCDS) analyzed in the FEIS because it could allow a greater number of hotel rooms to vest. The RWCDS for the Approved Application assumed that in the No-Action and With-Action conditions, 25 percent of the hotel supply as of January 2020 would not return to market due to economic impacts from the pandemic, leading

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<sup>1</sup> The Approved Application vesting provisions under (d)(1) states that "If, on or before [date of referral], an application for a #development#, #enlargement# or #conversion# to a #transient hotel# has been filed with the Department of Buildings, and if, on or before [one year after the date of adoption], the Department of Buildings has approved an application for a foundation, a new #building# or an alteration based on a complete zoning analysis showing zoning compliance for such #transient hotel#, such application may be continued, and construction may be started or continued."

to approximately 95,860 total existing rooms to be opened between 2021 and 2025 when the market is recovering. It was also estimated that the text provisions would allow for an additional 25,290 hotel rooms in the pipeline to vest before the effective date under the With-Action condition, and 2,300 hotel rooms currently in applications for existing special permits with city agencies to be excluded. This would result in a hotel room inventory of approximately 123,450 in 2035, comprised of existing hotel rooms and hotels in the pipeline or in applications with the city that are able to vest or be excluded from the Special Permit provision. Overall, it was estimated in the With-Action condition of the Approved Application that there would be a supply of approximately 127,660 hotel rooms, and there would be an estimated unmet demand of approximately 47,070 hotel rooms in 2035.

The Potential Modification would have limited geographic applicability and specific constraints on the type of lot that could be developed within a specific time period from the date of adoption. Therefore, it is expected to result in a small increase in additional hotel room supply in the With-Action condition, and a slightly lower unmet demand in 2035. Overall, it would have a limited effect on the RWCDs and the subsequent analysis. As such, the Potential Modification would not have the potential to result in new or different significant adverse impacts in the CEQR analyses for land use, zoning and public policy; socioeconomic conditions; or neighborhood character, as summarized below:<sup>2</sup>

- › **Land Use, Zoning and Public Policy:** No impacts were identified in the FEIS for land use, zoning and public policy, and the Potential Modification would not alter these findings.
- › **Socioeconomic Conditions:** The Approved Application would have a significant adverse socioeconomic conditions impact to the hotel and tourism industries. The slight reduction of unmet demand under the Potential Modification would not alter this finding.
- › **Neighborhood Character:** The Potential Modification, like the Proposed Action, would not result in significant adverse impacts in the contributing technical area of land use, zoning, and public policy. Furthermore, the adverse impacts to socioeconomic conditions would not change under the Potential Modification, and, therefore, the conclusion in the FEIS for neighborhood character would not change.

The Potential Modification would not significantly alter the development assumptions in the RWCDs for the Approved Action evaluated in the FEIS; therefore, the Potential Modification would not result in any meaningful changes to the analysis or the significant adverse environmental impact identified in the FEIS.

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<sup>2</sup> In the May 3, 2021 Final Scope of Work, the following areas were screened out of the need for further analysis in the EIS: open space; community facilities; shadows; historic and cultural resources; urban design and visual resources; hazardous materials; natural resources, water and sewer infrastructure, solid waste and sanitation, energy, greenhouse gas emissions, transportation; air quality; noise; public health; and construction. The change in the supply of hotel rooms under the With-Action condition as a result of the Proposed Modification would not change the conclusions, and the areas noted above would continue to screen out of the need for analysis.