

Governor Cuomo Proposes Conversion of Hotels and Commercial Office Buildings

January 26, 2021

On January 19, 2021, Governor Andrew Cuomo proposed an amendment to the New York State Multiple Dwelling Law with the stated purpose of “authoriz[ing] flexibility in zoning to address high commercial vacancy rates and underutilized hotel properties located within specified areas in New York City, particularly in response to the COVID-19 pandemic”.¹

If enacted, the proposal would allow both Class B multiple dwellings operating as a hotel with less than one hundred fifty rooms and office buildings “graded on a market rate price of class B or class C” to be converted to residential use.² To be eligible, the property as converted, “(a) be part of a state affordable housing plan or agreement with the department of homes community renewal to provide a minimum of twenty percent of such housing units created as affordable housing, or (b) is to be operated as a supportive housing facility that is under a contract with any state or city agency to provide housing and supportive services for any population, or (c) will instead provide an amount necessary to support the creation or preservation of affordable housing or prevent homelessness as determined by the commissioner of the department of homes and community renewal.”³

In addition, the proposal expressly overrides “any state law ... local zoning law, ordinance, resolution, or regulation” that would have the effect of limiting the conversions allowed by the proposed amendment.

The proposal would take effect immediately upon enactment and be applicable to (a) qualified hotel properties in any borough outside of Manhattan, or within Manhattan between Chambers and 110th Streets and (b) qualified office buildings located between Ninth and Park Avenues and 14th and 60th Streets in Manhattan.⁴ The amendment expires according to its terms on December 31, 2026.

Footnotes

¹ See page 15, part L of the Memorandum in Support of the FY 2022 New York State Executive Budget Transportation, Economic Development and Environmental Conservation, Article VII Legislation; <https://www.budget.ny.gov/pubs/archive/fy22/ex/artvii/ted-memo.pdf>

² See page 51-52, FY 2022 New York State Executive Budget Transportation, Economic Development and Environmental Conservation, Article VII Legislation; <https://www.budget.ny.gov/pubs/archive/fy22/ex/artvii/ted-bill.pdf>

³ *Id.*

⁴ *Id.*