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**Gale A. Brewer, Borough President**

**December 28, 2017**

**Recommendation on ULURP Application C 170068 ZSM – 66 Allen Street  
By Grand Associates, LLC**

**PROPOSED ACTION**

Grand Associates, LLC<sup>1</sup> (“the applicant”) seeks a special permit pursuant to Section 74-711 of the Zoning Resolution (“ZR”) to modify the use regulations of Section 15-021(e) to allow residential use on portions of the ground floor, second to fourth floors and proposed penthouse of an existing 5-story, landmarked, mixed-use building located at 66 Allen Street (Block 308, Lot 14 and also known as 315-317 Grand Street) in a C6-2G district within Community Board 3, Manhattan.

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 application must satisfy:

- 1) The application shall contain an LPC issued report stating that the applicant will establish a continuing maintenance program for the preservation of the building and that such modification or restorative work will contribute to a preservation purpose;<sup>2</sup>
- 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 District;<sup>3</sup>
- 3) The maximum number of permitted dwelling units is as set forth in ZR § 15-111.<sup>4</sup>

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;
- 2) Such modifications shall have minimal adverse effects on the conforming uses within the building and in the surrounding area.

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<sup>1</sup> Grand Associates LLC is represented by Edward Kaminsky the owner of the subject building at 66 Allen Street.

<sup>2</sup> The LPC issued a report, MOU 17-5100 on April 26, 2016.

<sup>3</sup> The LPC issued the Certificate of No Effect (#18-5096) and the Certificate of Appropriateness (COFA #18-5098) on April 26, 2016. The applicant does not propose any bulk modifications. Miscellaneous Amendment (#18-5870) and Miscellaneous Amendment (#19-8849) were issued on May 12, 2016 and February 15, 2017, respectively.

<sup>4</sup> The applicant proposes 8 residential units; this is below the maximum permitted number of 28 dwelling units for this site as set forth in Section 15-11. However, this condition does not apply to the subject building because it is not within a C7, C8 or manufacturing zoning district.

## **PROJECT DESCRIPTION**

The applicant seeks a special permit pursuant to ZR § 74-711 to allow the conversion of the second through fourth floors of the building from Use Group 6 (commercial use) to Use Group 2 (residential use), the expansion of the first floor's residential lobby and a rooftop enlargement above the fifth floor. The project site's lot area is 3,191 square feet, built with 15,729 square feet of floor area and a floor area ratio (FAR) of 4.93.

The applicant proposes a new total FAR of 5.21 and a total of 16,621 square feet of floor area within the existing building and would allow 7 additional residential units<sup>5</sup> totaling 10,288 square feet of residential floor area. The proposal calls for an enlargement of the residential lobby on the first floor for an ADA compliant elevator by removing square footage from one of the existing ground floor retail spaces. The building would be enlarged by a penthouse addition used for residential use and a private patio for one of the fifth floor units as a duplex. This addition will enlarge the building by 749 square feet of floor area and increase the building height by 12 feet and 1 ½ inches to 70 feet and 2 ½ inches.

The project site is located within a C6-2G zoning district which permits certain residential, commercial and community facility uses within Use Groups 1 through 12; however, Use Group 2, residential use, is not permitted in commercial buildings. The minimum building base height is 60 feet with a maximum building height of 120 feet. The maximum residential FAR is 6.02 and the maximum commercial FAR is 6.0.

The special permit pursuant to ZR § 74-711 requires the applicant enter into a Restrictive Declaration with the LPC and establish a continuing maintenance program for the preservation of the building.

### **Background**

The existing building was constructed in 1886 by architect Paul F. Schoen in the Classical Revival-style with a cast iron façade on Grand Street. Fifty years later Allen Street was widened and a portion of the building was demolished and the western wall was reconstructed with tan brickwork in the Art Deco style by architect John N. Linn. The building originally functioned as a department store owned by Edward Ridley & Sons, once the largest department store in the city. The building was designated as an individual landmark by the Landmarks Preservation Commission in 2012.

According to the application materials, the building has continuously been occupied for commercial use. The 1930 and 1934 Certificate of Occupancies state the building was used for stores, clubrooms, and office and meeting rooms. The most recent Certificate of Occupancy, dating to 1965, lists Use Groups 6B and 6C uses: boiler room, clothing stores, dry goods and medical office, business office and meeting hall, and one residential apartment. Currently, the building houses both commercial and residential uses including the retail stores Good Locksmith and Win Win Trading on the ground floor; and office space for Scout Design on the second

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<sup>5</sup> According to the 1965 Certificate of Occupancy, one legal residential unit has existed on the fifth floor of this property.

floor, Oasis on the third floor, additional office space on the fourth floor, and one residential unit on the fifth floor. No records were found to indicate rent-regulation of the residential unit.

On April 26, 2016 the LPC approved work to restore the building to a sound, first class condition, including exterior work at the roof and northern and western façades, construction of a one-story addition on the roof, an elevator bulkhead at the southeast corner, and a metal framed glass pitched roofed skylight structure. The restorative work approved also includes replacing windows and transoms; replacing a door and a louver on the second and third floor levels on the northern façade with single-light casement windows; replacing the storefront infill with wood framed, fixed, single-light display windows masonry bulkheads, a sign panel at the openings, and recessed entrances; removing the fire escape at the western façade and replacing the door and transom at the entrance at the southern end of the western facade with a bronze door, sidelight and transom.

### **Area Context**

The project site is located on the southeasterly corner of Grand Street at Allen Street and is located in a C6-2G zoning district in Community District 3, Manhattan. The project site is bounded by Grand Street to the north, Orchard Street to the east, Hester Street to the south and Allen Street to the west. The block consists primarily of five story mixed-use buildings with one commercial building, two multi-family residential buildings, and two industrial uses. The surrounding blocks consist primarily of mixed-use commercial and multi-family residential buildings. There are also a few educational facilities in the area including the Lower Manhattan Arts Academy, Seward Park High School and P.S. 042 Benjamin Altman. Two blocks southeast of the site is Seward Park and two blocks west of the site is Hester Street playground.

The C6-2G zoning district for the project site is limited to two and one-half lots; just southeast of the project site is a C6-2 zoning district which extends to Essex Street west of Allen Street is a C6-1G zoning district and north of Grand Street is a C4-4A zoning district.

The project site is well served by public transit: The B/D subway line located on Grand Street between Chrystie Street and Forsyth Street; the F subway line East Broadway stop located three blocks southeast of the site; and the Essex Street Station of the M/J/Z subway line two blocks north of the site. The M15 bus line is accessed one block west of the site on Allen Street; and the M9 and M14A bus lines are accessible on Essex Street and Grand Street. A Citibike bicycle station is located just one block south of the site at Hester Street and Allen Street.

### **Proposed Actions**

The applicant seeks a special permit pursuant to ZR § 74-711 to modify use regulations to permit the conversion from commercial use to residential use (UG2) on the second, third, fourth, and proposed penthouse enlargement on the sixth floor of an existing 5-story building. A restrictive declaration will be recorded which sets forth a continuing maintenance plan for the building to ensure the preservation of the building and the fulfillment of the preservation purpose as a condition of approval for this special permit.

As described in the application materials, LPC's Certificate of Appropriateness, Certificate of No Effect, and the April 26, 2016 LPC report, the proposed scope of work will ensure the building is

maintained in a sound, first-class condition and reinforce the architectural and historic character of the building.

### **COMMUNITY BOARD RECOMMENDATION**

On November 8, 2017, by a vote of 10 in favor, 3 in opposition, and 0 abstentions, Manhattan Community Board 3 (“CB3”) recommended approval of the application.

### **BOROUGH PRESIDENT’S COMMENTS**

The special permit pursuant to ZR § 74-711 is a preservation tool to modify use or bulk restrictions of the Zoning Resolution that was enacted in order to make the ownership and preservation of historic buildings less financially burdensome. As a condition of securing the waivers that accompany this special permit, the applicant must ensure the property will be properly rehabilitated and maintained in perpetuity. The applicant for this special permit has proposed significant restoration of the building and the LPC has indicated that the maintenance plan is appropriate and will contribute to the special architectural and historic character of this building. The additional finding, under which this special permit may be granted, is that the modification must have a minimum impact on the conforming uses within the building and within the surrounding community.

The existing building was originally built to function as a department store in the late 1800s and has continued to be used for commercial use, particularly at the ground floor of the building. The existing building falls short of the current requirements and needs of commercial office tenants and therefore, has attracted tenants for the upper floors only willing to commit to short term leases. Because of this, the applicant seeks to permit seven residential units (in addition to the one existing residential unit) on the upper floors and to retain the existing ground floor retail tenants.

I have reviewed nineteen<sup>6</sup> of these special permit proposals since taking office, twelve of which have been to convert buildings to residential use. Although this building has never permitted manufacturing use, as have many of the other applications, the use of this special permit is continuously used to convert buildings to residential use. It is for this reason that I included a condition in my recommendation on the Mandatory Inclusionary Housing (MIH) text amendment to create a lower threshold for when MIH should be required in the case of these conversions.

The MIH text provided that the requirement to provide affordable housing would not be triggered unless the special permit was going to allow the lesser of 10 units or 12,500 square feet of residential development. Our office, cognizant of the many special permits to convert lofts to residential use especially in the SoHo/NoHo area, wanted a threshold that would capture buildings which, when converted typically contained 10,000 and 12,500 square feet of residential

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<sup>6</sup>This number represents applications reviewed pursuant to ZR Section 74-711.

space. We received a commitment from DCP and HPD, “to consider how MIH would apply to special permits in light of the continuing stream of applications seeking to increase residential capacity in certain Manhattan neighborhoods.”<sup>7</sup>

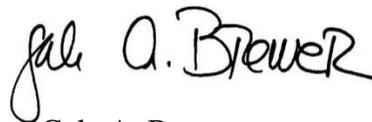
Yet we find ourselves, almost two years later, reviewing another special permit for a change to residential use for a building (albeit this time near, rather than in SoHo/NoHo) which falls below the threshold criterion for MIH set by the City Planning Commission but within my recommended threshold. This is now the third such ULURP since MIH was adopted in March 2016 that would have fallen under my proposed lower trigger for MIH, and had these commitments from the Administration been kept, it is possible that this neighborhood, which is seeing rapid development, could have funds for affordable housing.

However, the applicant’s proposal relates well to the mixed-use character of the surrounding blocks and broader neighborhood and will preserve the pedestrian experience on the street. In a meeting with my office the applicant’s representative stated they may no longer pursue the penthouse addition and therefore, may not construct a duplex unit.

The Manhattan Borough President believes the conditions and findings have been met for the requested special permit. The restoration work will reinforce the historic significance and ensure long-term preservation of this historic building for the community and visitors.

#### **BOROUGH PRESIDENT’S RECOMMENDATION**

**Therefore, the Manhattan Borough President recommends approval of ULURP Application No. C 170068 ZSM.**



Gale A. Brewer  
Manhattan Borough President

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<sup>7</sup> Letter from City Planning Commission Chair and Commissioner of HPD to Manhattan Borough President dated December 10, 2015.