

LESS RELIABLE THAN FLIPPING A COIN:



The Department of City Planning's Miserable Track Record on Predicting Rezoning Outcomes

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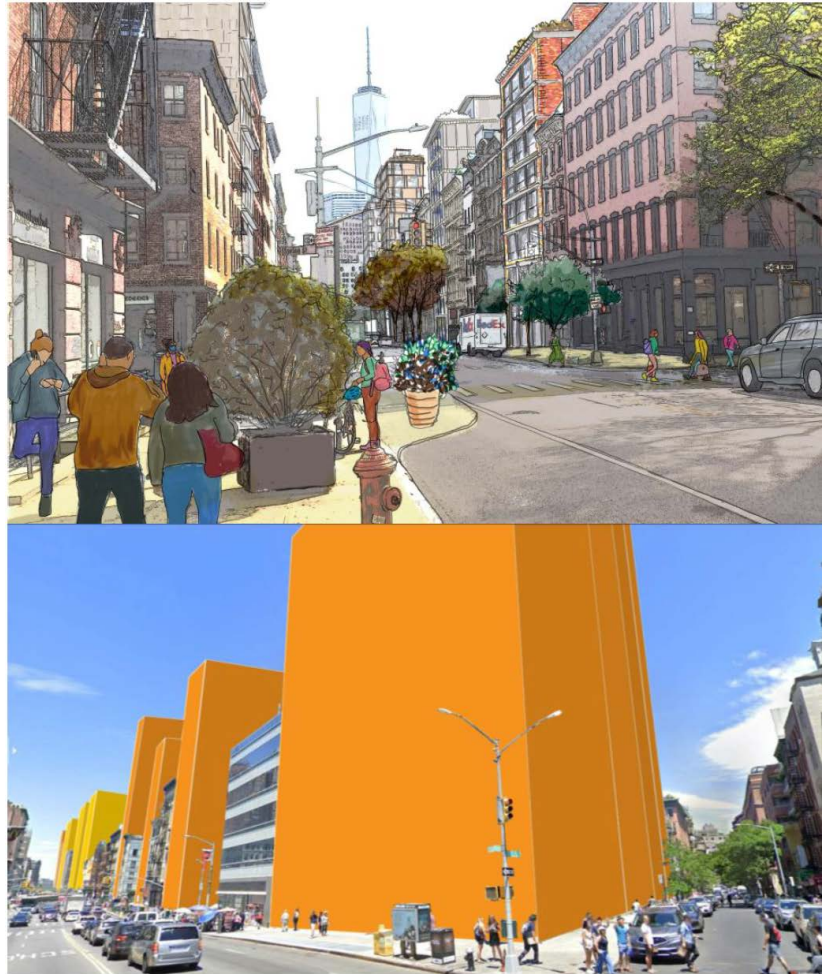
Introduction

The Department of City Planning is asking the New York City Council to approve its proposed SoHo/NoHo/Chinatown Upzoning Plan, largely based upon its predictions that the plan will result in the creation of 3,500 units of housing, 900 of which would be affordable.

But it's critical to note that this is in fact only a prediction of what the rezoning's results will be — the plan does not require or guarantee the creation of a single unit of affordable housing. [Analysis of the rezoning](#) indicates that it's actually likely to [create little if any affordable housing](#) (see also [here](#)), and development in the rezoning area is likely to follow vastly different patterns than predicted by the City, as the rezoning would also allow vastly increased amounts of construction of offices, hotels, private university facilities, and large retail, and luxury condos and rentals — none of which require the inclusion of any affordable housing (in the case of the latter so long as they [don't exceed 25,000 sq. ft. per zoning lot](#)).

It's therefore worth examining the Department of City Planning's (DCP) track record in predicting the results of other rezonings it has approved. If a coin flip provides an accurate prediction of a particular outcome half the time, data shows such a method would likely be more useful than trusting many of the Department's rezoning projections.

As shown in the analysis that follows of recent rezonings put forth by DCP, their predictions are often considerably less accurate than the 50% rate a coin toss would produce, including on critical items that are at the heart of the rationale for the rezoning. Even in the best of cases, the Department's projections tend to deviate quite significantly from actual outcomes, making their predictions about the results of their rezonings — especially when they involve complicated calculations based on market fluctuations, development patterns, and individual conditions which deviate from their analysis criteria — often less reliable than a random guess, or the proverbial shot in the dark.



Top: Department of City Planning watercolors of SoHo development under the rezoning.

Bottom: Projections of allowable development under the rezoning by the Municipal Art Society.

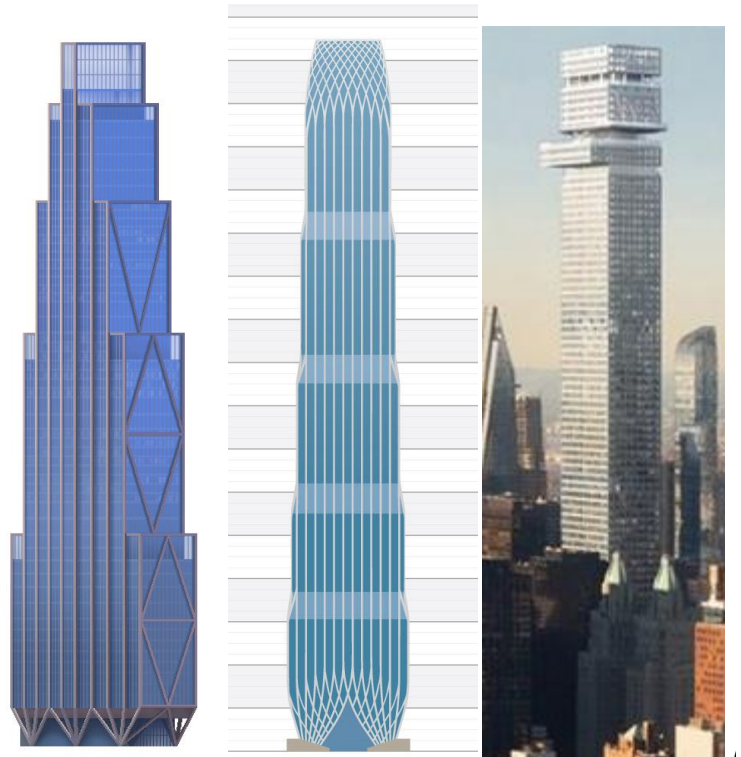
East Midtown Rezoning (2016)

In this massive rezoning of more than 75 blocks of Midtown Manhattan, the Department of City Planning created millions of square feet of additional development rights. Within those several dozen blocks and hundreds of lots, they identified 16 developments on 53 tax lots upon which they projected development by the year 2036, and an additional 14 sites on 27 tax lots which they identified as iffier “potential” development sites.

Since the rezoning has passed, three developments have moved ahead: a 1,425-ft-tall supertall at 270 Park Avenue (under construction); a 1,565-ft-tall supertall at 175 Park Avenue (moved through public review process); and a 25 FAR office tower at 417 Park Avenue (demolition underway). The first two would be two of the largest and tallest buildings ever constructed in New York City.

None of these developments — or 0% — are located on any of the “projected” or potential development sites identified by the Department of City Planning.

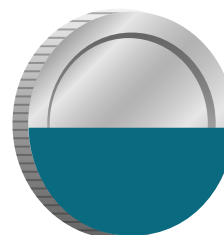
Additionally it should be noted that a 1,556-ft-tall supertall has been proposed for 5 East 51st Street within the rezoning area, which is also located on a site that the Department of City Planning neither identified as a “projected” nor a “potential” development site.



(l. to r.) 270 Park Avenue, 175 Park Avenue, 5 East 51st Street

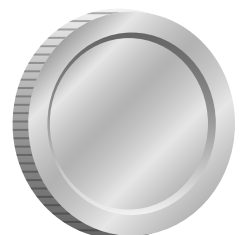
First three developments in area

Coin Toss



50% Accuracy

DCP Projections



0% Accuracy

Hudson Square Rezoning (2013)

A comparison between this rezoning and the proposed SoHo/NoHo/Chinatown rezoning is particularly useful. The two areas directly border one another. And much of the city's predictions for SoHo/NoHo/Chinatown hinge on the notion of developers choosing to forgo possibilities for commercial development, and instead to choose residential developments, even though the proposal includes large increases for the allowable size of commercial construction. The Hudson Square rezoning also allowed both large-scale commercial and residential development.

Though different, there are related market forces at work in these two neighboring districts, both of which have strong markets for both residential and commercial development.

In Hudson Square, the Department of City Planning projected 901,416 sq. ft. of office and retail development, and between 3,006 to 3,352 residential units by 2024 (we're 80% of the way through the projection period).

So far, approximately 2,946,426 sq. ft. of office and retail space has been developed, **or more than triple the amount predicted at just four-fifths of the way through the projection period, making the rate of commercial development 3.9 or nearly four times the level predicted.**



By contrast, only 1,462 residential units have been produced throughout the rezoning area during that time, **or 46% of what was projected** (prorated for the full build out period, that's 55% of what was predicted).

In this bordering district, DCP predicted vastly more residential development and vastly less commercial development than took place, speaking to the strong potential for commercial development trumping residential development in the SoHo/NoHo/Chinatown rezoning area.

Long Island City Rezoning (2001)

This rezoning dramatically transformed, and continues to transform, this westernmost tip of Queens, which has seen some of the most intensive development anywhere in New York City.

The changes this rezoning was projected to produce when it was approved 20 years ago, however, are vastly different than those that occurred.

The NYC Department of City Planning (DCP) projected that 5,525,016 sq. ft. of commercial space would be developed on multiple projected sites in the rezoning area by 2010. However, by 2010, there was actually a loss of 569,934 sq. ft. of commercial space on projected commercial development sites. Meanwhile on sites within the rezoning area not identified by DCP as projected development sites, there was an increase of 362,561 sq. ft. of commercial space.

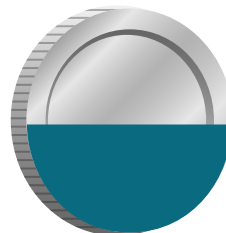
Thus while an overall increase of 5,525,016 sq. ft. of commercial space was projected, there was actually a net decrease of 207,373 sq. ft., with the losses even higher on those sites where DCP projected new commercial development taking place. Of the little new commercial space created, most of it was developed on sites where DCP failed to project any such development would or could occur.

Projections regarding residential development were similarly off-target.



Residential development on projected development sites

Coin Toss



50% Accuracy

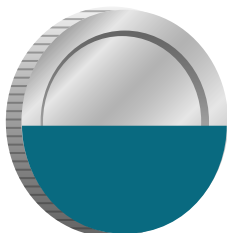
DCP Projections



14% Accuracy

Location of new residential development sites

Coin Toss



50% Accuracy

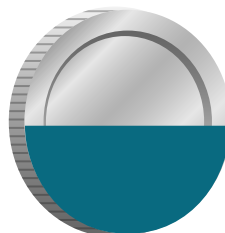
DCP Projections



5% Accuracy

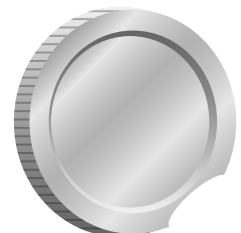
Increase in commercial development

Coin Toss



50% Accuracy

DCP Projections



-4% Accuracy

Long Island City Rezoning (continued)

DCP estimated the construction of 300,000 sq. ft. of residential space on projected development sites within the rezoning area by 2010 and of 40,000 sq. ft. on “upgrade” sites (sites of projected commercial to residential conversions).

But by 2010, only 43,023 sq. ft. of residential space had been built on projected development sites, **or just 14% of the anticipated amount.** By contrast, 798,875 sq. ft. or **95% of the total new residential space in the rezoning area had been built on sites where DCP projected no development taking place.**

For both commercial and residential development, most development took place outside of locations where DCP projected it occurring, and in numbers vastly different than predicted. A projected 5.5 million-sq-ft increase in commercial space ended up as a 570,000-sq-ft net **decrease** in commercial space, while **nearly two-and-a-half times** the projected amount of new residential construction took place, and 95% of it took place on sites where DCP projected no development taking place.

(Source: [The Municipal Art Society](#))

Downtown Brooklyn Rezoning (2004)

As anticipated, this rezoning dramatically transformed, and continues to transform, this mixed use shopping, office, and residential neighborhood criss-crossed by mass transit lines (not unlike the SoHo/NoHo/Chinatown rezoning area). But the Department of City Planning's projections about what that transformation would look like could not have been more wrong.

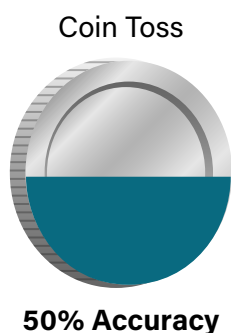
The need for new office space, and the rezoning's ability to address this need, were a primary rationale for the rezoning. But DCP's projections were shockingly off for commercial space.

DCP estimated the construction of 4,611,000 sq. ft. of office space on projected development sites and of 2,047,000 sq. ft. on potential sites by 2014, or a total increase of 6,658,000 sq. ft. What actually occurred, however, was an increase of just 57,063 sq. ft. of commercial space on projected sites by 2014, **or just 1.2% of the anticipated amount**. On potential and unidentified sites within the district, there was actually a **loss** of 465,933 sq. ft. of office space, **for a net loss of 408,870 sq. ft. of office space in the rezoning area when an overall gain of 6,658,000 sq. ft. was anticipated**.

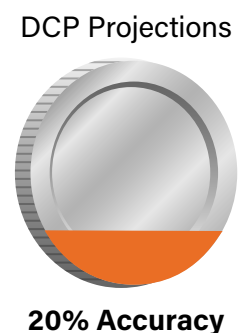
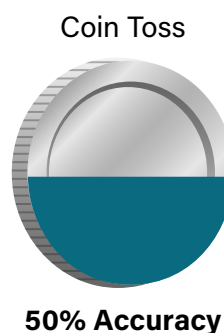


Projections about retail space were similarly off target. DCP estimated the construction of 844,000 sq. ft. of retail space on projected development sites, and of 533,000 sq. ft. on potential development sites by 2014. However, by 2014, projected sites actually saw a **decline** in retail space of 161,977 sq. ft, while potential and unidentified sites saw a **decline** of 33,098 sq. ft. **Thus instead of a projected increase of nearly 1.4 million sq. ft. of retail space, there was actually an overall decline of retail space of nearly 200,000 sq. ft.**

Location of new residential development sites



Location of new residential development



Downtown Brooklyn Rezoning (continued)

While DCP was less off base about total residential development (not considered the primary purpose of the rezoning), they were dramatically wrong about where it would take place. DCP estimated the construction of 979,000 sq. ft. of residential space on projected development sites within the rezoning area, and of 2,535,000 sq. ft. of the same on potential development sites, by 2013.

However, by 2013, **only 488,654 sq. ft. of residential space had been built on projected development sites, or less than 50% of the projected amount.** Meanwhile 1,951,272 sq. ft. of residential space was built on “potential” development sites (those considered “less likely” to be developed, but possible) and on those sites where DCP projected that no development at all would take place. **In other words, four times as much residential development took place on sites where DCP said that such development was either “less likely” or “not at all likely” as took place on those sites that DCP identified as “likely” residential development sites.**

(Source: [The Municipal Art Society](#))

[According to analysis by the Municipal Art Society](#), the Long Island City and Downtown Brooklyn rezoning areas included 71 sites that by 2018 were redeveloped or planned for development, but had never been identified in DCP’s environmental review process as either potential or projected development sites.

East Village/Lower East Side Rezoning (2008)

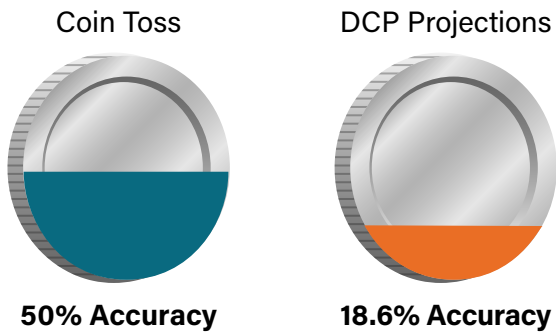
This was another rezoning in a neighborhood adjacent to the proposed SoHo/NoHo/Chinatown rezoning, and here as well the Department of City Planning’s estimates for development varied substantially from the actual results.

DCP estimated that 5,375 residential units would be built on projected and potential development sites within the rezoning area by 2017, and that 485 of those units would be affordable.

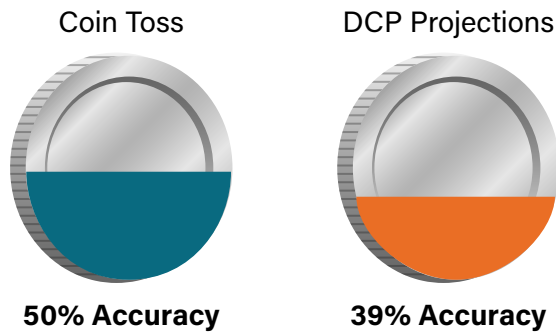
By 2017, only 1,002 residential units had been built within the rezoning area, **or just 18.6% of those projected**. Of those units, 190 were affordable, or 39% of the number projected (this rezoning utilized the Voluntary Inclusionary Housing program in some areas).



Amount of residential construction



Amount of affordable housing construction



East New York Rezoning (MIH) (2017)

De Blasio administration rezonings utilizing Mandatory Inclusionary Housing (MIH) provide a useful basis for comparison for the accuracy of projections, given that a similar mechanism is proposed for SoHo/NoHo/Chinatown. However, since all such rezonings were enacted in the relatively recent past, there is a limited window for analysis. But even in these relatively short periods of time, patterns emerge consistent with other vastly inaccurate projections by the Department of City Planning.

In this rezoning area, DCP identified 202 projected development sites and 233 potential ones. As of late 2021 (about 35% of the way through the projection period), **only 13 or 6.4% of the projected sites have seen any development, while only three or 1.2% of the potential ones have.**

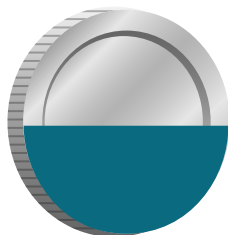


There has, however, been significant unaccounted for and unanticipated development within the rezoning area. **Of about 117 applications for residential developments within the rezoning area, 86% are located on sites where DCP neither projected development nor even identified as a “potential” development site, thus leaving the vast majority of new development within the rezoning area outside the bounds of what was analyzed or planned for.**

DCP also projected the development of 60,000 sq. ft. of FRESH (Food Retail Expansion to Support Health) supermarket space by 2030. Only 18,512 sq. ft. or 30% of the amount projected have materialized thus far, and no more are currently underway.

Construction on projected development sites

Coin Toss



50% Accuracy

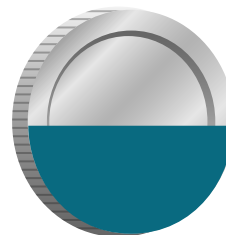
DCP Projections



18.3% Accuracy*
* 6.4% prorated
for full
projection period

Construction on potential development sites

Coin Toss



50% Accuracy

DCP Projections



3.42% Accuracy**
** 1.2% prorated
for full
projection period

Jerome Avenue Rezoning (MIH) (2018)

A major impetus for this rezoning was the ability of such changes to produce FRESH (Food Retail Expansion to Support Health) supermarket space.

The Department of City planning projected the development of 51,562 sq. ft. of such supermarket space by in the rezoning area by 2026.

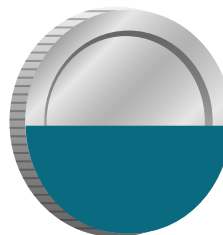
As of late 2021, no such developments have materialized, and none are underway.



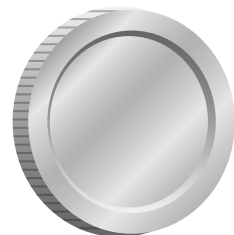
FRESH supermarket space

Coin Toss

DCP Projections



50% Accuracy



0% Accuracy

East Harlem Rezoning (MIH) (2017)

This 57-block rezoning has spurred considerable development within this upper Manhattan neighborhood in the four years since its passage. However, by far the majority of that development was not anticipated or analyzed by the Department of City Planning in its review.

DCP identified 161 projected sites and 66 potential sites where development would or could take place under the rezoning by 2027.

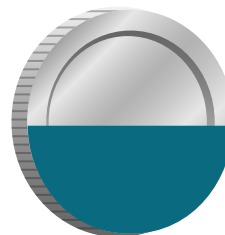
Two-fifths of the way through that time frame, **none of the projected or potential development sites have seen any development.**

By contrast, there have been about 37 applications for residential development within the rezoning area, including two pursuant to public acquisition. This means, besides those two, **100% of actual projects within the district thus far were unanticipated by DCP within the projected timeframe, and have taken place on sites that DCP failed to identify as likely to see any development.**



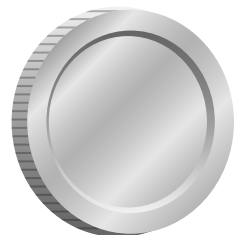
Location of new private development

Coin Toss



50% Accuracy

DCP Projections



0% Accuracy

Conclusion

The Department of City Planning's rate of accuracy in predicting the outcomes and patterns of development emanating from its rezonings is incredibly low, especially when it comes to predicting commercial vs. residential development, and where and how much development will take place. Frequently their projections are most off base for key elements that had served as the primary rationale for the rezoning in the first place. **In virtually every rezoning we analyzed, DCP's accuracy in determining whether or not development would take place on a specific site was well under 50%, or a lower rate of accuracy than a random guess or a flip of a coin would produce.**

The Department's highly controversial and questionable projections about their proposed SoHo/NoHo/Chinatown rezoning — that developers will chose residential over commercial or other development; that they will include affordable units in spite of the broad and lucrative menu of options available for not including them; that long-time lower-income, rent-regulated, Asian American, senior and artist residents won't be displaced for new development — should therefore be taken with a very large grain of salt.

Based upon DCP's long and well-established track record, their assertion that the plan will produce 3,500 units of housing, 900 of which may be "affordable," is likely to vary wildly from the reality which will only emerge over time if this rezoning is approved. And their assertion that only about a third of the ten and half million square feet of additional development potential which the rezoning creates will be used should also greeted with considerable skepticism, and a high degree of scrutiny.

Sources unless otherwise noted:

- Department of City Planning Environmental Impact Statements
- Department of Buildings records
- edc.nyc/fresh-supermarkets-zoning-boundaries
- morr.maps.arcgis.com/apps/MapSeries/index.html?appid=e53a9d13cad442829c5db6c7bc1b16d8
- data.cityofnewyork.us/City-Government/NYC-Rezoning-Tracker/fd95-5ihz