

TESTIMONY OF THE REAL ESTATE BOARD OF NEW YORK, INC. BEFORE THE NYC LANDMARKS PRESERVATION COMMISSION IN REGARD TO THE PROPOSED EAST VILLAGE/LOWER EAST SIDE HISTORIC DISTRICT.

June 26, 2012

The Real Estate Board of New York, Inc. (REBNY) is a broadly based trade association of over 12,000 owners, developers, brokers, managers and other real estate professionals active throughout New York City. We would like to comment on the proposed East Village/Lower East Side Historic District.

According to the brief description provided by LPC at the time of calendaring, the proposed district includes sections of 19th century residential buildings along with rowhouses that contribute to an understanding of the history of this area of Manhattan. While LPC's description discussed the cultural and historical associations in the neighborhood with respect to the history of immigration in the neighborhood and various social and artistic movements, there was little discussion of the specific buildings included in the district

As we recently testified to the City Council, we believe that the Landmarks Preservation Commission should present the draft designation report for a historic district to the public well before the public hearing. This report should outline not only the architectural style and alterations for each and every building in the district but also the connection, if any, of each building to the historical or cultural events which are an integral aspect of this designation.

From our visual review of the proposed district, REBNY questions the inclusion of Second Avenue in the district. Some of the Second Avenue properties are in poor condition, highly altered and lacking in apparent architectural significance. We suspect that the most of the retail storefronts have undergone significant alteration and lack any historic or architectural merit. The buildings on the side streets do appear to have undergone limited alteration and have some architectural interest. How these buildings and their architecture specifically represent the immigrant experience or cultural events should be specified in a draft designation report.

The Landmarks Law requires that in a historic district the architectural, historical and cultural components are themselves special and that collectively they represent a distinct section of the city. How this proposed district meets that standard and why it should be preserved in perpetuity should be spelled out in in a draft designation report that is available to the public prior to the public hearing. This is important as a matter of public policy and critical for the many individual property owners who don't have the means to undertake extensive architectural and historic studies to assess how their building does or does not fit in. When

owners only receive the draft report shortly before the designation vote, there is a very limited opportunity to comment on and correct what is presented in the report.

REBNY has several other comments specific to this proposed district. We are concerned about small property owners who may only own one or two buildings in the area. Modernizing and upgrading the interiors of these very old tenements, which were deemed to be substandard housing decades ago, is expensive and adding additional expense and process for exterior alterations can be problematic for owners with limited resources.

We are also concerned about the number of houses of worship and other buildings owned by non-profit entities that are contained in this district. In many cases, landmark designation will impair the asset value of these properties by reducing the possibility of utilizing development rights that are now available under the applicable zoning. Restoration and renovation work for these expensive to operate buildings already takes away funds from their mission. Designation will only make this work more costly. While some grant funding is available, houses of worship and not-for-profits entities have no guarantee that they will be awarded any funding nor are the grants ever sufficient to complete the work. The current hardship provisions in the landmarks law are inadequate to address this dilemma.

At the Community Board 3 meeting last summer, many community members called for a “third way”, a preservation effort that would be less restrictive than landmark designation and that would also come with some relief and funding for houses of worship and other non-profits. We urge the City to give serious consideration to such a “next-generation” landmarks process that would lead to more preservation and a better and more equitable partnership with the property owners that are asked to be the stewards of our city’s historic built environment. Thank you.