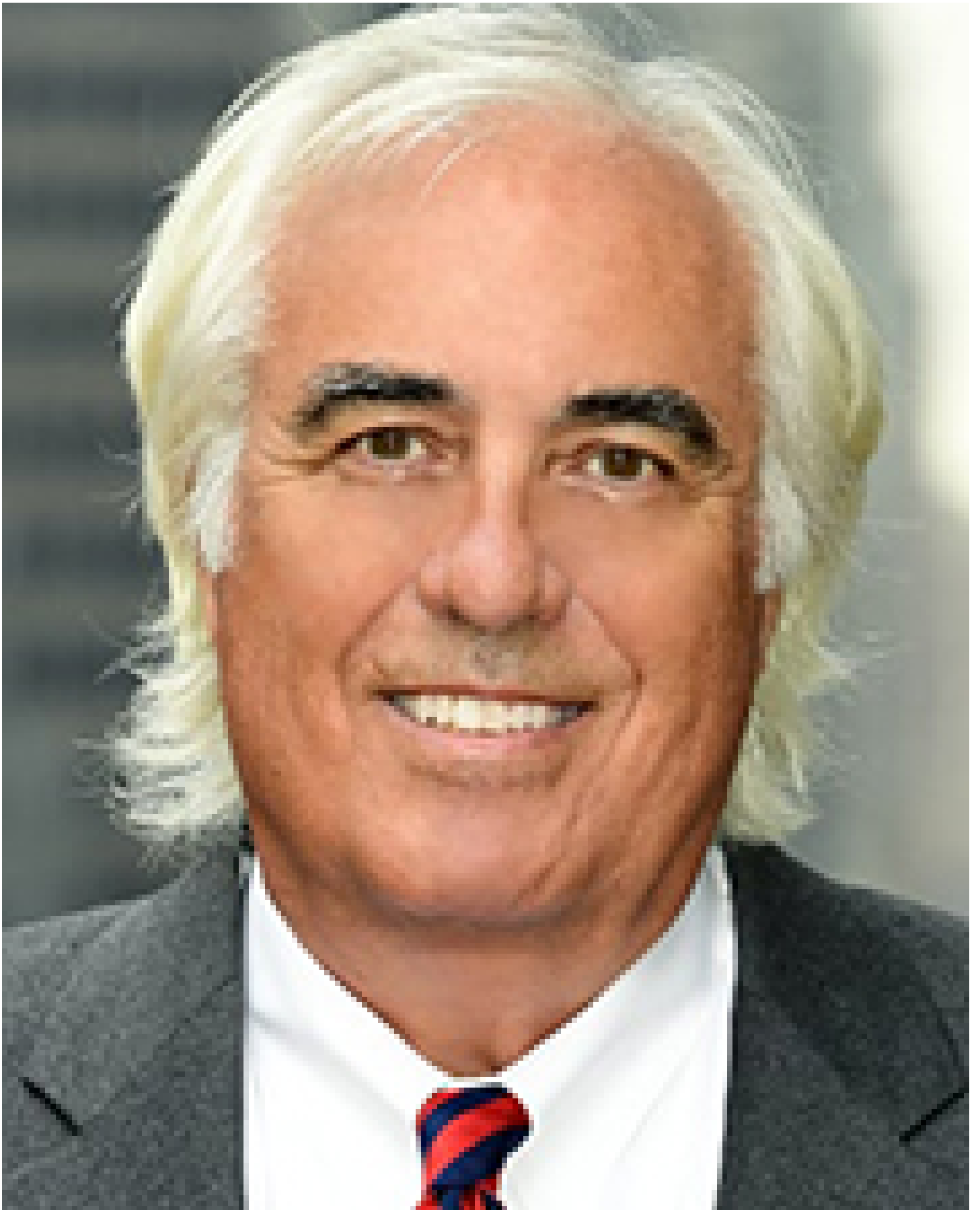




Rosenberg & Estis secures zoning variance to convert factory to residential

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Frank Chaney

Brooklyn, NY Rosenberg & Estis, P.C. has secured a zoning variance for the conversion of nine commercial units located within a former factory building at 8-10 Grand Ave. into residential use.

Frank Chaney, counsel with R&E's transactional department, represented the property owner, a subsidiary Glacier Equities, before the New York Board of Standards and Appeals, securing a variance to modify the commercial zoning still in place despite a patchwork of Interim Multiple Dwellings (IMDs) and commercial units at the property that evolved over many years. Currently, the property contains 52 units, 12 of which are commercial and 40 that are residential IMDs.

Rosenberg & Estis has long specialized in New York's unique Loft Law, which was enacted in 1982 and created a new class of buildings known as Interim Multiple Dwellings or "lofts." The Loft Law was designed to protect tenants and to create a pathway for property owners to legally upgrade and convert former commercial and industrial spaces into legal residential occupancy.

Under the Loft Law, 8-10 Grand's 40 IMD units are considered "legally non-complying" and may continue to be occupied as residential lofts.

Glacier Equities is in the process of legalizing the IMD units, deploying approximately \$6 million into capital improvements that will bring 8-10 Grand into full residential compliance. The work includes upgrading common areas with clear access and egress, and renovating kitchens and bathrooms to meet code requirements. Once complete, the only remaining commercial units will be those on the ground floor with direct access to and from the street.

Because only IMDs may be converted under the Loft Law and the building's manufacturing zoning does not allow residential use, Glacier was required to undertake an extensive approval process to ensure the nine commercial units not on the ground floor could be converted to residential use.

"It is a long and detailed process for an apparently straightforward change of use," said Chaney. "The city's Department of Environmental Protection required a full environmental assessment related to other industrial or manufacturing uses in the neighborhood and their possible effect, all of which added months of work and additional costs for our client. Thankfully, our deep experience in the complex and nuanced intersection of the Zoning Resolution and the Loft Law enabled us to ultimately secure the variance."

According to Chaney, the situation of 8-10 Grand is far from unique. It is estimated that thousands of large, open-plan loft spaces have become apartments and live/work studios as people have migrated towards so-called "emerging neighborhoods." Clinton Hill's mixture of apartment buildings, mansions, brick rowhouses and old warehouses have made it an appealing neighborhood and several new developments are underway in the area near the property.

Earlier this year, the city introduced "Green Fast Track," a streamlined environmental review process to accelerate the production of small-and medium-sized housing projects across New York City. Because its application was submitted before that program began in June, 8-10 Grand's ownership was compelled to complete the full DEP environmental review.

Said Chaney, “The review process added several months and thousands of dollars to a project that involves the conversion of nine units in a building where the overwhelming majority of units are already residential. The fast-track process should prevent similar projects from being delayed in the future, but cases like this underscore the importance of seasoned representation. For years, we have effectively assisted clients in navigating zoning and Loft Law matters, consistently staying informed of legislative updates and evolving case law. This dedication enables us to achieve essential outcomes for our clients trying to piece all of the zoning and Loft Law requirements together.”

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