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Proving the Success of New York City's Landmarks Law

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By Gregory Dietrich

In 1965, just two years after the demolition of New York's Penn Station, the city's mayor signed off on a new local preservation ordinance—now one of the strongest in the country. Since then, New York's Landmarks Law has been a driving force in energizing the city, protecting the sites that revitalize neighborhoods, create jobs and encourage tourism. As the preservationist community celebrates the law's 50th anniversary, however, it must again prove its worth. In the second ([read the first post](#)) of a two-post series Gregory Dietrich, preservation consultant, discusses a recent report on the success of the Landmarks Law.



LPC approved rooftop addition, Gansevoort Market Historic District.

Morris Adjmi Architects, 2014 | Photo by: Gregory Dietrich, photographer, 3/2/14.

Three years ago the Real Estate Board of New York (REBNY), a wealthy real estate lobbying and trade organization, launched a campaign to dismantle the landmarks law

and the activities of the New York City Landmarks Preservation Commission (LPC). REBNY has been a vocal opponent of the landmarks law since 1964, claiming it would have debilitating effects on property rights and New York City's economy. More recently, it accelerated its opposition as LPC began designating several historic districts containing high-density residential and office buildings, while also identifying other buildings for landmark designation contained within a 73-block area of Midtown East that the city was targeting for re-zoning.

In 2013 REBNY published two reports: one, which alleged that LPC's designation and regulatory processes were arbitrary and that the designation of historic districts adversely affected economic development and property values, and the other, which alleged that district designation discouraged the creation and retention of affordable housing. In response, a grassroots coalition known as the Citizens Emergency Committee to Preserve Preservation (CECPP) took a proactive stance and sponsored a study that would respond to REBNY's multiple claims while also citing the multiple benefits of the city's landmarks law. Entitled "A Proven Success: How the New York City Landmarks Law and Process Benefit the City," the CECPP report was researched and written by Gregory Dietrich Preservation Consulting and completed in June 2014.

The following represents key findings of the report:

Claims of Unjustified and Overzealous Historic District Designations

As of October 2013, only 3.2 percent of all properties in New York City were designated as individual landmarks or as part of historic districts. When broken down by borough, Manhattan has the largest percentage of designated properties (25.67 percent), while other boroughs have a much smaller percentage (4.5 percent in Brooklyn; .85 percent in Queens; .97 percent in the Bronx; and .23 percent in Staten Island). REBNY has touted the high percentage of designated properties in Manhattan as an



affirmation that LPC has overstepped its regulatory authority and is drastically limiting economic growth. However, this lone statistic fails to consider Manhattan's undisputed significance within the context of U.S. culture, history and architecture and that the landmarks law imposes no restrictions on the number of properties that can be designated. Moreover, LPC has a history of approving new additions and new construction in historic districts that belies REBNY's assertions of an anti-development agenda (Photos 1 and 2)

LPC approved new construction that replaced a parking lot, SoHo-Cast Iron Historic District. Jean Nouvel, 2006 | Photo by: Gregory Dietrich, photographer, 3/2/14.

Claims of Onerous Development and Permitting Timeframes and Costs

Statistical data from LPC belies the claim that the agency does not expedite its permits in a timely manner, and the agency charges a nominal application fee with respect to administrative costs. As for the claim of extended redevelopment timeframes and additional costs due to the regulatory process, LPC's staff provides guidance from the initial filing of an application in order to ensure that the applicant understands the agency's objectives for seeking appropriate changes to historic buildings. Conversely, if the applicant chooses not to accept the staff's recommendations for appropriateness, then the process has the potential to be time-consuming and costly.

Limits the Creation and Retention of Affordable Housing

LPC does not regulate use so it does not control the creation or retention of affordable housing within its designated areas, though the possibility for affordable housing exists (Photo 3). In addition, many factors irrespective of local designation limit the production of affordable housing, such as population density and demand, zoning, scarcity of land and land costs, development costs, transactional costs, alternate highest-and-best-use scenarios, a lack of owner interest in pursuing redevelopment, and a lack of sufficient government incentives.

Key findings of the report related to the benefits of designation include the following:

Social Benefits

Local designation preserves the historic fabric of communities and in doing so, promotes neighborhood identity, education and character which are conducive to healthy and vital living.

Environmental Benefits

Local designation encourages the reuse of historic buildings. Moreover, the renovation and reuse of existing buildings of comparable functionality, size, and energy-efficiency levels equivalent to new ones consistently yield fewer environmental impacts than demolition and new construction over a 75-year period. It also takes many years for a new, energy-efficient building to overcome the negative climate change impacts related to the demolition of a historic building and new construction.



LPC approved affordable housing redevelopment, Madison Square North Historic District. Beyer Blinder Belle Architects & Planners LLP, 1999-2005 | Photo By: Gregory Dietrich, photographer, 6/15/14.

Economic Benefits

Local designation stimulates economic development by increasing employment and generating tax revenue. This has been particularly evident in the Ladies' Mile Historic District (Photo 4). Building rehabilitations are likely to entail architects, engineers, interior designers, artisans, conservators, craftspeople, contractors, mechanical engineers, structural engineers, plumbers, and various historic tax credit specialists, including preservation consultants. New construction typically constitutes 50 percent materials and 50 percent labor, whereas rehabilitations typically constitute 30-40 percent materials and 60-70 percent labor. As a result, rehabilitations benefit local and state economies more than new construction in two ways: Labor is usually locally sourced so more local workers are hired for a project, and labor typically spends locally, whether that entails eating or shopping locally, which in turn generates local and state sales tax revenue.

Designated landmarks and historic districts support New York City's tourism industry

and the majority of New York's premiere tourist destinations are protected under the city's landmarks law. Thus, LPC has a pivotal role in preserving the city's tourism economy. In 2013 there was an estimated \$39.4 billion in local spending as a result of 54.3 million tourists visiting the city. In 2012 this translated into \$93.3 billion in local and state taxes and 363,050 hospitality and leisure jobs. Beyond tourism, between 2002 and 2012 the film and television industry spent \$60 billion alone on production in New York City, owing mostly to its neighborhoods' distinct sense of place.

There is certainly no indication that REBNY intends to let up on its campaign to dismantle the landmarks law and the activities of LPC. In fact, since the release of "A Proven Success" REBNY has continued to assert that district designation discourages the creation and retention of affordable housing, thereby pitting one public purpose (historic preservation) against another (affordable housing). For example, this past October REBNY chairman, Rob Speyer, delivered a keynote speech entitled "Global Cities: The Developer's Perspective by Rob Speyer" at the Urban Land Institute's fall meeting in NYC in which he attributed the lack of new affordable housing to the restrictions posed by historic districts and declared that "one quarter of this island is restricted from new development and renovation of existing buildings," adding, "Clearly, this is not good for the average developer and it is not good for the average New Yorker." Speyer's remarks are emblematic of REBNY's relentless public relations campaign against LPC and are harmful to the extent that they can influence NYC Mayor Bill de Blasio's attitudes about LPC and its preservation activities. As a counter-measure to this misinformation, a citywide grassroots preservation advocacy organization known as the Historic Districts Council has taken the lead in [promoting the report through its blog](#) and disseminating hard copies to the mayor and members of City Council as part of a mass education effort. As of September 2014, 13,440 people had viewed the report on Facebook. "This report



LPC approved rehabilitation, Ladies' Mile Historic District. Perkins Eastman, 2007 | Photo By: Gregory Dietrich, photographer, 6/15/14.

sets the record straight," said Dr. Jeffrey Kroessler, chair of the Citizens Emergency Committee.

Gregory Dietrich is the author of "A Proven Success" and the sole proprietor of Gregory Dietrich Preservation Consulting, based in New York. He is currently serving as an advisor to the Historic Districts Council.

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2600 Virginia Avenue NW, Suite
1100

Washington, DC 20037

forum@savingplaces.org

Phone: 202-588-6000

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