



WHITE PAPER

Fifty Years of Historic Preservation in New York City

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Introduction

New York City has a long history of historic preservation, dating back to the late 19th and early 20th centuries with the founding of the American Scenic and Historic Preservation Society. In the late 1950s and early 1960s, threats to historic properties galvanized city residents to push for more formal preservation policies. Following the demolition of the Beaux-Arts Pennsylvania Station, the Landmarks Law was passed in 1965 to formally establish the New York City Landmarks Preservation Commission (LPC).¹ In the Commission's first year, it designated Brooklyn Heights as the city's first historic district together with individual landmarks on 25 lots.² By the end of its 50th year, the Commission had designated 114 historic districts, approved 17 extensions to the original boundaries of historic districts, and designated individual and interior landmarks on 1,232 lots.³

The regulatory structure for historic preservation is codified in the Charter and the Administrative Code of the City of New York, which constitute the laws governing the city. The code laid out a broad set of objectives for historic preservation, ranging from safeguarding historic assets to promoting tourism, improving property values, and furthering economic development. Specifically, in Section 25-301, the administrative code identifies seven purposes of historic preservation:

- (a) effect and accomplish the protection, enhancement and perpetuation of such improvements and landscape features and of districts which represent or reflect elements of the city's cultural, social, economic, political and architectural history;

¹ History of the LPC & the Landmarks Law. (n.d.). Retrieved January 4, 2016, from <http://www.nyc.gov/html/lpc/html/about/history.shtml>. We note that Mayor Wagner had previously appointed a Landmarks Commission in 1962, but that commission did not have the authority granted by the 1965 Landmarks Law. See: CITY ACTS TO SAVE HISTORICAL SITES - Wagner Names 12 to New Agency--Architects Decry Razing of Penn Station. (1962, April 22). The New York Times. Retrieved from <http://query.nytimes.com/mem/archive-free/pdf?res=9407EEDE113DE731A25751C2A9629C946391D6CF>

² For the analysis in this report, we are using lots and calculated lot area in the New York City Department of City Planning's MapPLUTO and exclude certain lots from our universe of analysis as explained in Appendix C. Additionally, due to lot assemblages, the number of lots that we identify for a given year may not be identical to the number of lots identified in a designation report of the LPC. In this report, we do not discuss the scenic landmarks designated by the LPC as there have only been 10.

³ The city's landmarks law was signed by Mayor Robert Wagner on April 19, 1965. The New York Times (20 April, 1965). Retrieved from <http://timesmachine.nytimes.com/timesmachine/1965/04/20/issue.html>. We count designations that occurred through the 50th year—2014.

- (b) safeguard the city's historic, aesthetic and cultural heritage, as embodied and reflected in such improvements, landscape features and districts;
- (c) stabilize and improve property values in such districts;
- (d) foster civic pride in the beauty and noble accomplishments of the past;
- (e) protect and enhance the city's attractions to tourists and visitors and the support and stimulus to business and industry thereby provided;
- (f) strengthen the economy of the city; and
- (g) promote the use of historic districts, landmarks, interior landmarks and scenic landmarks for the education, pleasure and welfare of the people of the city.

While the Administrative Code lays out broad goals for historic preservation in the city, there has been little systematic work examining the city's success in meeting them. To be sure, many of these objectives are difficult to quantify, such as civic pride. But on the 50th anniversary of the law, this report offers a descriptive account of historic preservation in New York City.

We begin with an analysis of the diffusion of historic districts and landmarks in New York City since 1965. We then compare the characteristics of historic districts to those of nearby neighborhoods. We consider building attributes, uses of land, housing stock, construction activity, composition of the population, employment, and commercial space. Our analysis reveals some important contrasts between historic districts and nearby areas, but our aim in this report is to describe these differences and not to determine their causes.⁴

In Section 1, we provide an overview of the historic preservation process in New York City and the work that the LPC does. This section details the structure and function of the LPC, describes the process of designation, and provides some historical context for understanding the current structure of the LPC.

⁴ We explore the roots of some of these differences in companion research examining the ways that the designation of historic districts affects property values, demographic characteristics and the social composition of historic neighborhoods.

In Section 2, we provide an overview of the spread of landmark and historic district regulation since the establishment of the LPC 50 years ago. We look at the *pace* of designation across decades, and the distribution of those designations across boroughs. We show that there has been a relatively steady growth in number of lots and amount of lot area added to historic districts or otherwise designated as individual or interior landmarks. The vast majority of designations have been concentrated in Manhattan and Brooklyn. By 2014, 27 percent of lots in Manhattan were included in historic districts or were regulated as individual or interior landmarks, as compared to no more than one percent of lots in the Bronx, Queens and Staten Island.

In Section 3, we turn our attention to the characteristics of buildings and land use in historic districts. Most of the analysis in this report compares characteristics of historic districts with non-LPC-regulated areas as there are only 1,062 lots outside of historic districts that are individual and/or interior landmarks. As of 2014, lots included within the boundaries of a designated neighborhood housed a substantially older set of buildings than lots outside of districts. Lots in historic districts were less likely to house one- and two-family homes; nearly 40 percent of lots in historic districts housed one- and two-family homes whereas the proportion was two-thirds for lots outside of historic districts. Inside historic districts, a larger share of lots were comprised of multifamily walk-up and elevator buildings than outside of historic districts. We also find that residential units tended to be larger in historic districts, and that rental units were less likely to be subsidized or rent-regulated. That said, within community districts, historic district buildings were not more likely to lose rent-regulated units in recent years.

In Section 4, we explore the development characteristics of the built environment inside historic districts. While we cannot know with certainty what would have been built in the absence of historic district regulations, we can examine whether blocks in historic districts were zoned for, and built to, lower density than those in surrounding neighborhoods. On average, we find that as of 2014, blocks in historic districts were built to the same density as nearby blocks outside of historic districts. While blocks in historic districts were zoned for slightly lower density, their buildings used up a greater portion of that

development potential. We find that lots in historic districts were much less likely to see new development, even when we compare those lots to non-LPC-regulated lots within the same community district. Lots in historic districts were more likely to have received a permit for major alteration, but the increased prevalence is explained by variation between community districts. Within community districts, lots inside and outside historic districts were equally likely to receive an alteration permit.

In Section 5, we examine the characteristics of the population living in historic districts. We focus on comparing the residents living in these districts to the residents of other neighborhoods *located in the same borough*. Overall, we find that neighborhoods with a majority of units in historic districts housed a population with higher socioeconomic status than other nearby neighborhoods without any lots in historic districts. In particular they had higher median incomes, larger non-Hispanic white population shares, and a larger share of residents with college degrees. These differences are generally largest in Manhattan, where tracts dominated by historic districts also have higher homeownership rates.

In Section 6, we examine commercial space and activity within historic districts. We find that lots within historic districts housed more commercial space and boasted higher employment densities and commercial rents than other lots in the city. However, these differences were driven by the concentration of historic districts in Manhattan. Historic district lots actually housed slightly less commercial and retail space than other lots in the same community district, and commanded similar commercial rents.

In the conclusion, we summarize our key findings, underscoring that our analysis merely describes (and does not attempt to find the cause of) the differences in the characteristics of people and land uses inside and outside of districts. For many of our measures, we note major variation between Manhattan and the other boroughs of the city.

Section 1: The Historic Preservation Process in New York

1.1: The Landmarks Preservation Commission

The Landmarks Preservation Commission (LPC) is comprised of 11 commissioners appointed by the Mayor of the City New York. A full-time staff supports the commissioners in the work of protecting the city's architectural and cultural heritage. In Fiscal Year 2015, the LPC was budgeted to have 71 employees.⁵ The LPC is tasked with protecting the city's architecturally, historically, and culturally significant buildings and neighborhoods by designating them with historic status and regulating them after they are designated.⁶ To fulfill this mission, the LPC had a budget of \$5.2 million in Fiscal Year 2015 up from \$2,934,000 (or \$4,196,994 in 2015 dollars) in Fiscal Year 1999.⁷

1.2: Four Types of Landmarks Preservation Commission Designation

The LPC may designate a "Landmark Site" otherwise known as an Individual Landmark where a structure on a parcel is 30 years or older and which has a "special character or special historical or aesthetic interest or value as part of the development, heritage or cultural characteristics of the city, state or nation." An "Interior Landmark" designation may be designated when the interior of a building is 30 years or older and is customarily assessable to the public. Such interior areas must have "a special historical or aesthetic interest or value as part of the development, heritage or cultural characteristics of the city, state or nation."⁸ A property can have both an individual and interior designation.

The LPC is also empowered to designate a "Historic District" covering any area that contains buildings that "have a special character or special historical or aesthetic interest or value," represent one or more periods or styles of architecture typical of one or more eras in the history of the city," and

⁵ Mayor's Management Report. Mayor's Office of Operations. Retrieved from <http://www1.nyc.gov/assets/operations/downloads/pdf/mmr2015/lpc.pdf>

⁶ LPC - About the Landmarks Preservation Commission. (n.d.). Retrieved December 9, 2015, from <http://www.nyc.gov/html/lpc/html/about/about.shtml>

⁷ Fiscal 2000 The City of New York Volume II - Agency and Citywide Indicators (n.d.). Mayor's Office of Operations. Retrieved from http://www1.nyc.gov/assets/operations/downloads/pdf/mmr/0900_vol2.pdf; Mayor's Management Report. Mayor's Office of Operations (n.d.). Retrieved from <http://www1.nyc.gov/assets/operations/downloads/pdf/mmr2015/lpc.pdf>

⁸ N.Y.C. Admin. Code § 25-302.

constitute a distinct section of the city.”⁹ A historic district can include properties that do not necessarily contribute to the unique character of the district (oftentimes referred to as non-contributing buildings), but the vast majority of properties are intended to make such a contribution.

Separately, the LPC may designate a “Scenic Landmark” on any city-owned land that has a “landscape feature or aggregate of landscape features” 30 or more years old with “a special character or special historical or aesthetic interest or value as part of the development, heritage or cultural characteristics of the city, state or nation.”¹⁰ Because there are only ten scenic landmarks¹¹ and they comprise open space that is all publicly owned, we do not study them in this report.

1.3: The Process of Historic Designation

The process of historic designation in New York City involves research by the staff of the LPC, outreach to property owners, an affirmative vote of the Commissioners of the LPC, and the consent of the City Council.¹² In practice, the designation process also often involves historic preservation advocates and other elected officials.

In many cases, the LPC identifies potential landmarks and historic districts through internal surveys and other Commission-initiated research. But members of the public can also request that the LPC evaluate particular sites, through submitting a Request for Evaluation (RFE).¹³ If the LPC determines that proposed landmark or historic district meet minimum standards, the RFE proposal

⁹ N.Y.C. Admin. Code § 25-302.

¹⁰ N.Y.C. Admin. Code § 25-302.

¹¹ The ten scenic landmarks are Central Park, Verdi Square, Grand Army Plaza Manhattan, Ocean Parkway, Bryant Park, Prospect Park, Eastern Parkway, Fort Tryon Park, Riverside Park and Riverside Drive, and Morningside Park.

¹² N.Y.C. Charter § 3020; N.Y.C. Admin. Code §§ 25-302, 25-303, and 25-313; Rules of the City of New York, Title 63, Landmarks Preservation Commission Rules 1-02, 1-01 (July 2003); NEW YORK CITY LANDMARKS PRESERVATION COMMISSION, *FAQs: The Designation Process*, http://www.nyc.gov/html/lpc/html/faqs/faq_designation.shtml (last visited October 13, 2011); and HISTORIC DISTRICTS COUNCIL, *Preserving Your Historic Neighborhood: New York City Designation Process*, <http://www.hdc.org/preservingnyc.htm> (last visited October 12, 2011).

¹³ How the Designation Process Works. (n.d.). Retrieved January 4, 2016, from <http://www.nyc.gov/html/lpc/html/propose/process.shtml>

becomes part of the agency's internal survey materials and may or may not be further researched and considered for designation depending on agency priorities.¹⁴

The designation process involves three key steps at the LPC. First, following a LPC research staff presentation, the full Commission votes at a public meeting whether to schedule ("calendar") a public hearing on the potential resource. The second step, assuming a majority of the Commissioners who were present voted to approve, is a public hearing. Third, a majority vote of Commissioners (i.e. six votes) is required to approve a proposal for designation. A designation report accompanies an affirmative vote and identifies significant features and the history of the designated landmarks or historic districts.¹⁵

When the LPC approves a designation, the designation becomes effective immediately. However, the Commission is required to file copies of the final report with the City Council and City Planning Commission, and to send a Notice of Designation to owners and the City Clerk's Office, within ten days of designation. The City Planning Commission (CPC) then has up to 60 days to review the proposal and submit a recommendation to the City Council related to any planning concerns it may have. The City Council then may modify or reject the proposed designation by majority vote, but the designation is effective if no action is taken. The Mayor may veto a modification or rejection of the LPC's decision, and only a vote of two-thirds of the City Council will over-ride the veto.

1.4: The Regulation of Landmark Properties and Historic Districts

The designation of a lot triggers an LPC special review process for all work on a designated lot. Owners of properties cannot demolish an LPC-regulated building without obtaining approval from the LPC and must seek approval from the LPC for many other types of repairs and improvements to

¹⁴ Propose a Landmark. (n.d.). Retrieved January 4, 2016, from <http://www.nyc.gov/html/lpc/html/propose/propose.shtml>. Senior staff at the LPC told us that there are many factors that can inform the decision of whether to actively consider a property for designation. These the merit of an asset (based on its architectural, historic and/or cultural significance), the importance of the resource in the context of similar and/or already designated resources, the degree of alignment with agency policies (e.g. such as designating landmarks in all five boroughs), the level of threat and the level of stakeholder support

¹⁵ How the Designation Process Works. (n.d.). Retrieved January 4, 2016, from <http://www.nyc.gov/html/lpc/html/propose/process.shtml>

buildings. Buildings on regulated lots do not require LPC approval for basic maintenance and upkeep, including repairing broken windows or repainting the exterior of a building to match existing colors.

In addition to requiring approval for alteration work that the property owner wants to perform, the Administrative Code of the City of New York imposes an affirmative obligation that the owners of property within historic districts maintain and repair external features of the buildings. Property owners are also expected to maintain interior portions which, if left unmaintained, would contribute to the deterioration of the external portion of the property. In 1998, the LPC was authorized to seek civil fines or criminal penalties for violations and the majority of such cases are handled by the city's Environmental Control Board.¹⁶

Construction of new buildings is possible within historic districts, and it most often occurs on vacant lots. Any proposed new building in a historic district requires a Certificate of Appropriateness from the full commission of the LPC. Consequently, unlike most activity outside of historic districts, which is as-of-right, demolition and construction of new buildings within historic districts is subject to discretionary review.

¹⁶ Violations and Enforcement. Retrieved from <http://www.nyc.gov/html/lpc/html/faqs/violations.shtml>

Section 2: The Growth of Historic Preservation

In this section, we trace the expansion of historic preservation across New York City since the enactment of the Landmarks Law and establishment of the Landmarks Preservation Commission (LPC) in 1965. We distinguish between the diffusion of historic districts and the diffusion of individual and interior landmarks and separately analyze patterns in each of the city's five boroughs. We are using tax lots in 2014 as our unit of analysis.¹⁷

2.1: The Expansion of Historic Districts

Since the designation of Brooklyn Heights as the first historic district in New York City, the LPC has actively worked to protect historic neighborhoods in New York City. With the designation of the Chester Court Historic District in December 2014, the LPC had designated 114 unique historic districts across New York City. As of the writing of this report, the LPC has further designated an extension to the Riverside-West End Historic District and the Bedford Historic District in Brooklyn and is considering an extension to the Park Slope Historic District in Brooklyn.¹⁸

The map in figure 2.1 provides a visual analysis of the way historic districts have spread across the five boroughs of New York City over time. During the first two decades following the passage of the landmarks law, nearly all of the historic districts were located in Manhattan and Brooklyn. Between 1965 to 1984, 28 district or district extensions were designated in Brooklyn and 15 were designated in Manhattan, with only five in the remaining boroughs. However, in subsequent decades, the LPC designated 21 districts or district extensions in Queens, the Bronx, and Staten Island out of a total of 83 in that latter period.

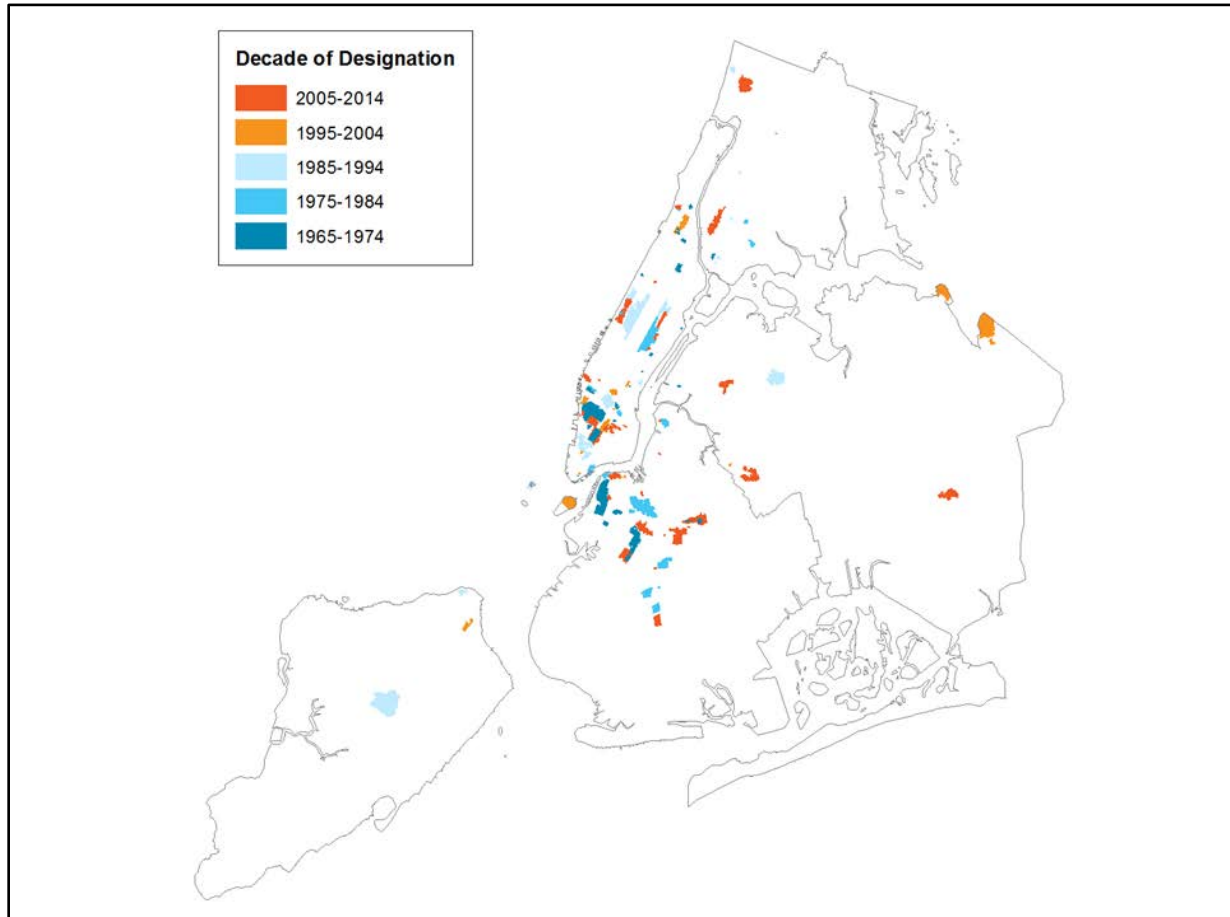
Figure 2.1 shows that most historic district lots were concentrated in just a few portions of New York City. In Manhattan, a substantial share of lots located within the Upper East Side, Upper West Side,

¹⁷ Use of 2014 lots with historic district designation maps explain why the number of lots we identified as having been designated in a given year may not always be the number the LPC identified in designation reports from a given year. This number can change due to lot mergers and lot subdivisions.

¹⁸ LPC - Maps, Guides, and Manuals - Historic District Maps. (n.d.). Retrieved December 9, 2015, from http://www.nyc.gov/html/lpc/html/manuals/historic_district.shtml

and south of 14th Street were covered by a historic district. Portions of downtown Brooklyn and the areas surrounding Prospect Park also had a high concentration of lots in historic districts.

Figures 2.1: Historic Districts and Extensions Added by Decade



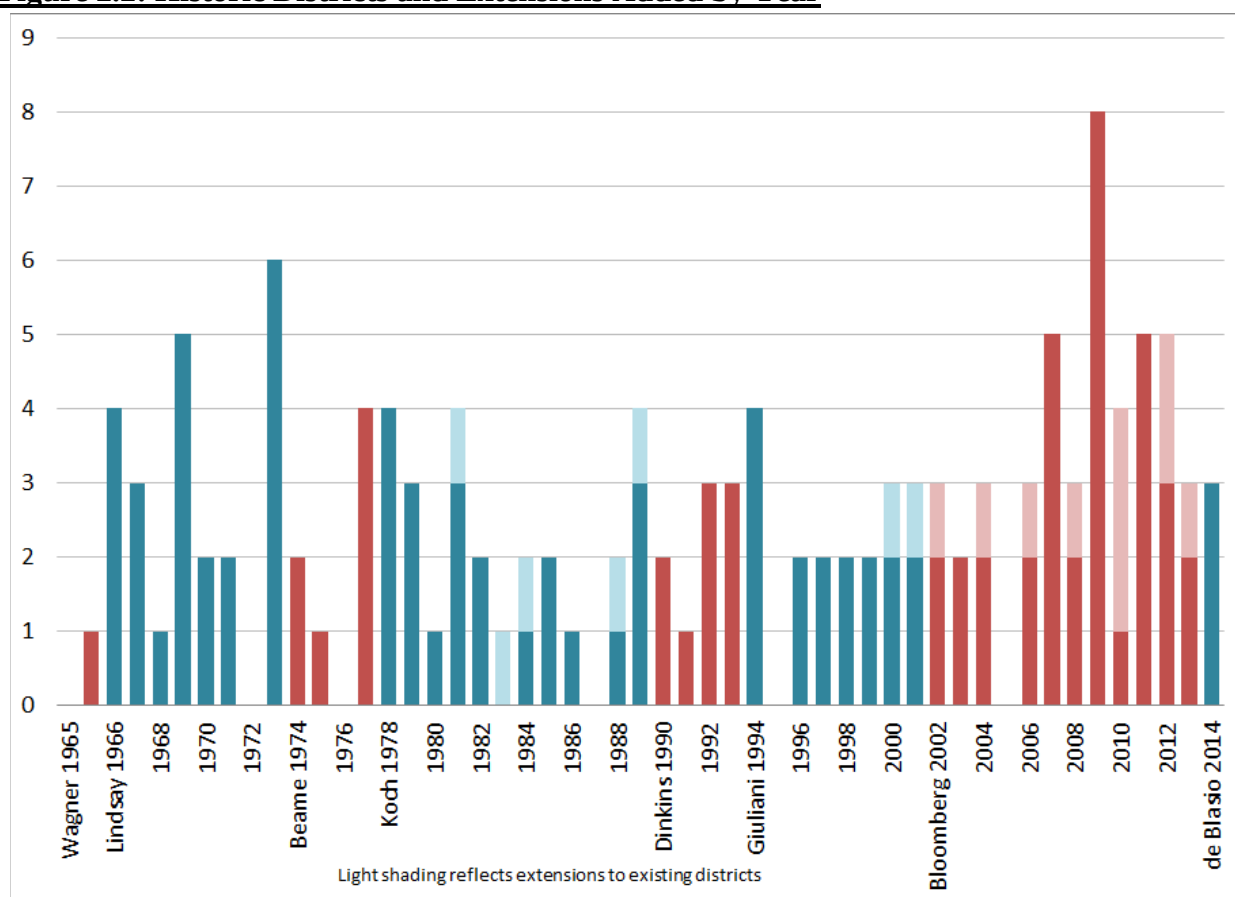
Sources: New York City Landmarks Preservation Commission, NYU Furman Center

Figure 2.2 tracks the total number of historic districts added annually in New York, and highlights patterns across different mayoral administrations.¹⁹ The dark portion of the bars shows the number of new historic districts approved each year, while the lighter portion indicates the number of extensions to historic districts approved. Figure 2.2 shows a relatively steady pace of designation over the last five decades. In most years, the LPC approved between one and four new historic districts annually with an average of between two and three areas per year over our full period. However, in two years of

¹⁹ References to designations in a given year refer to the calendar year.

the Lindsay administration (1969 and 1973) and several years of the Bloomberg administration (2007, 2009, 2011, 2012), the city designated substantially more historic districts or district extensions. In 2009, the LPC approved eight new historic districts, including the Prospect Heights Historic District the Lamartine Place Historic District, the Perry Avenue Historic District, the Alice and Agate Courts Historic District, the Fillmore Place Historic District, the Ocean on the Park Historic District, the Audubon Park Historic District, and the Ridgewood North Historic District.

Figure 2.2: Historic Districts and Extensions Added by Year



Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
Alternating colors reflect mayoral administrations.

Of course, historic districts vary in size, with some including over a thousand lots and others containing just a few.²⁰ For example, the Park Slope Historic District, which was designated in 1973,

²⁰ In calculating land area, we exclude parks, airports, and cemeteries, as their inclusion is misleading.

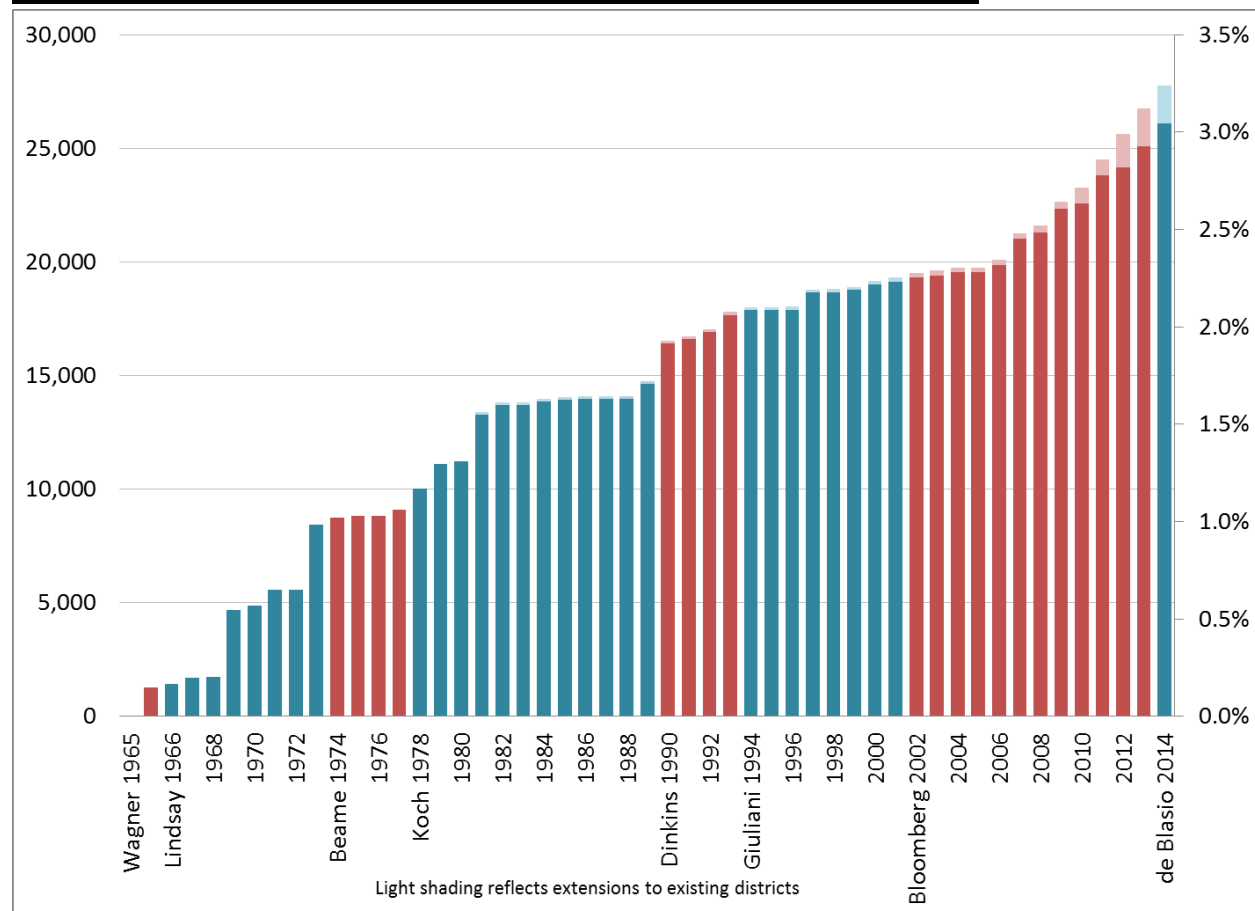
includes 1,896 lots while the Eberhard Faber Pencil Company Historic District, which was designated in 2007, includes only seven lots. Thus, an accurate accounting of the scope of historic preservation must include not only the *number* of districts designated annually, but the annual increase in the number of *lots* included in a historic district.

In Figure 2.3, we show the steady growth in the *number of lots* in historic districts.²¹ Like the previous figure, these bars are color-coded to identify unique mayoral administrations across years, allowing readers to identify both the year of designation and the administration. Additionally, light shading notes historic district extensions. The axis on the left-hand side identifies the *number* of lots located in a historic district and the axis on the right-hand side identifies the percentage of lots in the city. By the end of 2014, over 27,700 lots were designated, comprising 3.3 percent of the city's lots. On average, 557 lots were designated as part of a historic district per year, but the pace of growth has varied, and was somewhat more rapid in the earlier years. Mayor Wagner's single year saw the designation of 1,279 lots, while Mayor Beame's average annual addition over four years was only 172 lots.²² While this report uses data on designations through 2014, we note that in 2015 the LPC under Mayor de Blasio designated four historic districts comprising over 2,000 lots, making 2015 the year with the fourth highest number of lots added to historic districts, surpassed only by 1969, 1973 and 1981.

²¹ The term "lot" in this report refers to unique tax lots classified by the New York City Department of Finance for individual properties in all five boroughs. Tax lots can be as small as a few square feet or as large as the entirety of a hospital complex or university campus. It should be noted that a single zoning lot can contain multiple tax lots that continue to be treated as unique lots for tax purposes.

²² The average number of lots added to historic districts per year for each administration was as follows: Wagner-1,279, Lindsay-897, Beame-172, Koch-472, Dinkins-763, Giuliani-187, Bloomberg-622, de Blasio-1,005.

Figure 2.3: Count and Percent of City Lots in Historic District by Year



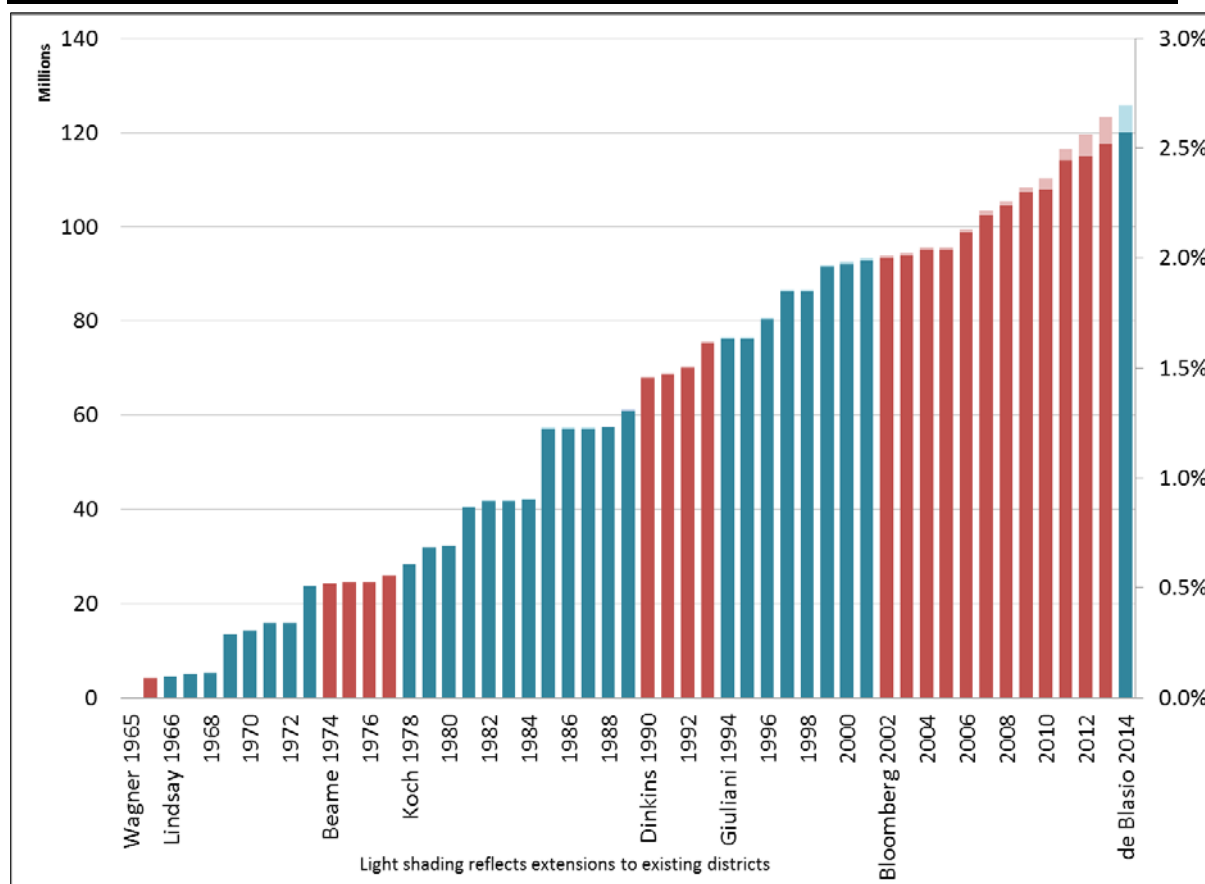
Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
 Alternating colors indicate changing mayoral administrations.

While the growth in the *number of lots* located in a historic district provides a useful measure of the diffusion of historic preservation, the growth in the *lot area* arguably better captures the change in the amount of land in the city designated within a historic district. Figure 2.4 shows the growth in the square footage of land covered by a historic district on the left-hand side axis, and also identifies the percentage of lot area in the city within the jurisdiction of a district on the right-hand side axis. Consistent with the previous figures, Figure 2.4 reveals a roughly steady diffusion over the last 50 years.²³ By the end of 2014, more than 125 million square feet of lot area – just less than three percent of the land area covered

²³ We note here that the lot area does not include the total land area of a historic district. Rather, it includes the lot area of properties in MapPLUTO that are within a historic district. Consequently, the lot area we reference does not include streets or sidewalks.

by New York City lots – was included in a historic district. The average increase in lot area per year was 2.5 million square feet, with the administrations of Mayor Wagner, Mayor Dinkins and Mayor Koch shepherding the largest average annual increases in lot area covered by new historic districts with 4.2 million square feet, 3.6 million square feet, and 2.9 million square feet respectively.²⁴

Figure 2.4: Square Footage and Percent of City Lot Area in Historic Districts by Year



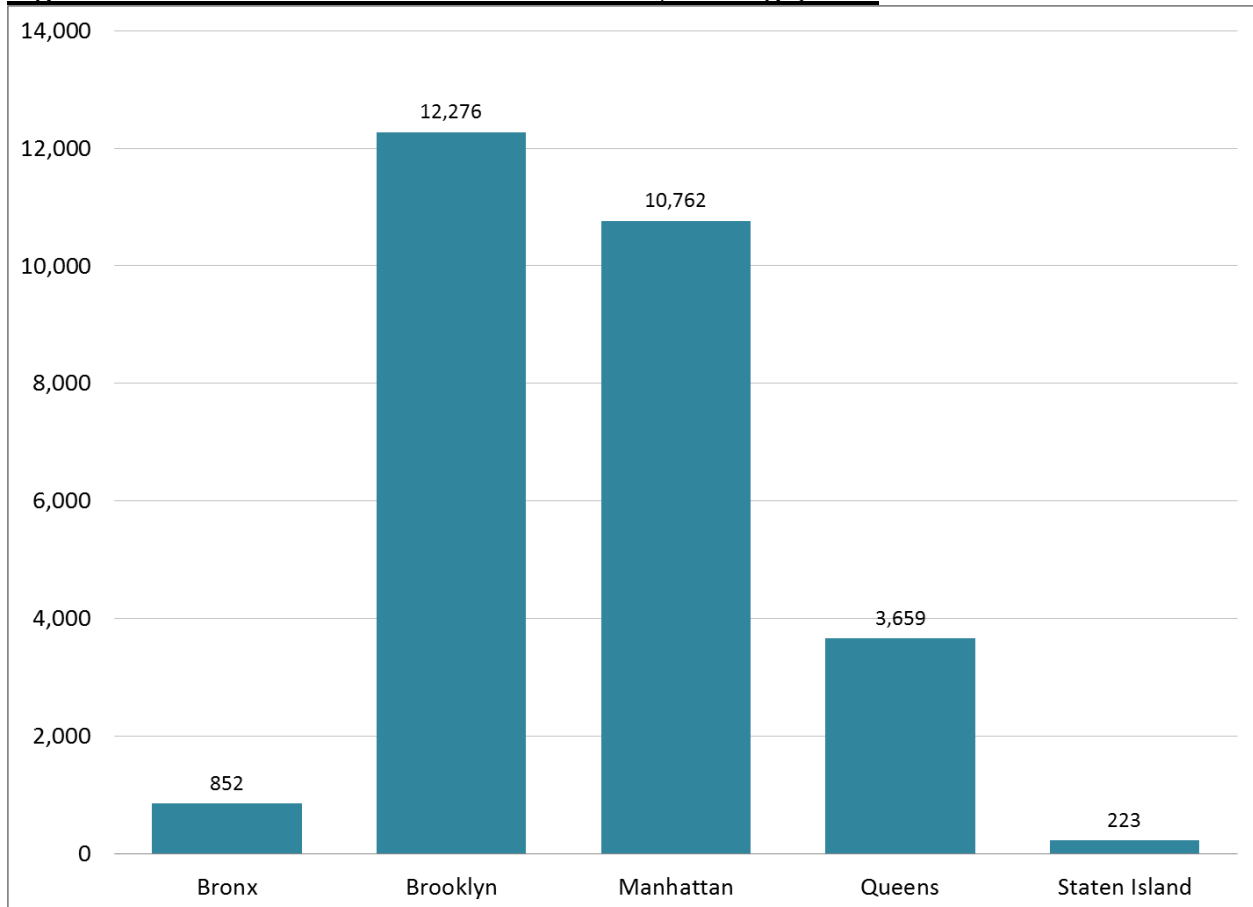
Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
Alternating colors reflect mayoral administrations.

Looking at historic districts by borough, we see in Figure 2.5 that most lots protected in a historic district were in Brooklyn or Manhattan. There were 12,276 lots in Brooklyn located within a historic district and 10,762 lots in Manhattan in a historic district. In Staten Island, only 223 lots were included in

²⁴ The average amount of lot area added to historic districts per year for each administration was as follows: Wagner-4.2 million S.F., Lindsay-2.4 million S.F., Beame-0.6 million S.F., Koch-2.9 million S.F., Dinkins-3.6 million S.F., Giuliani-2.2 million S.F., Bloomberg-2.5 million S.F., de Blasio 2.5 million S.F.

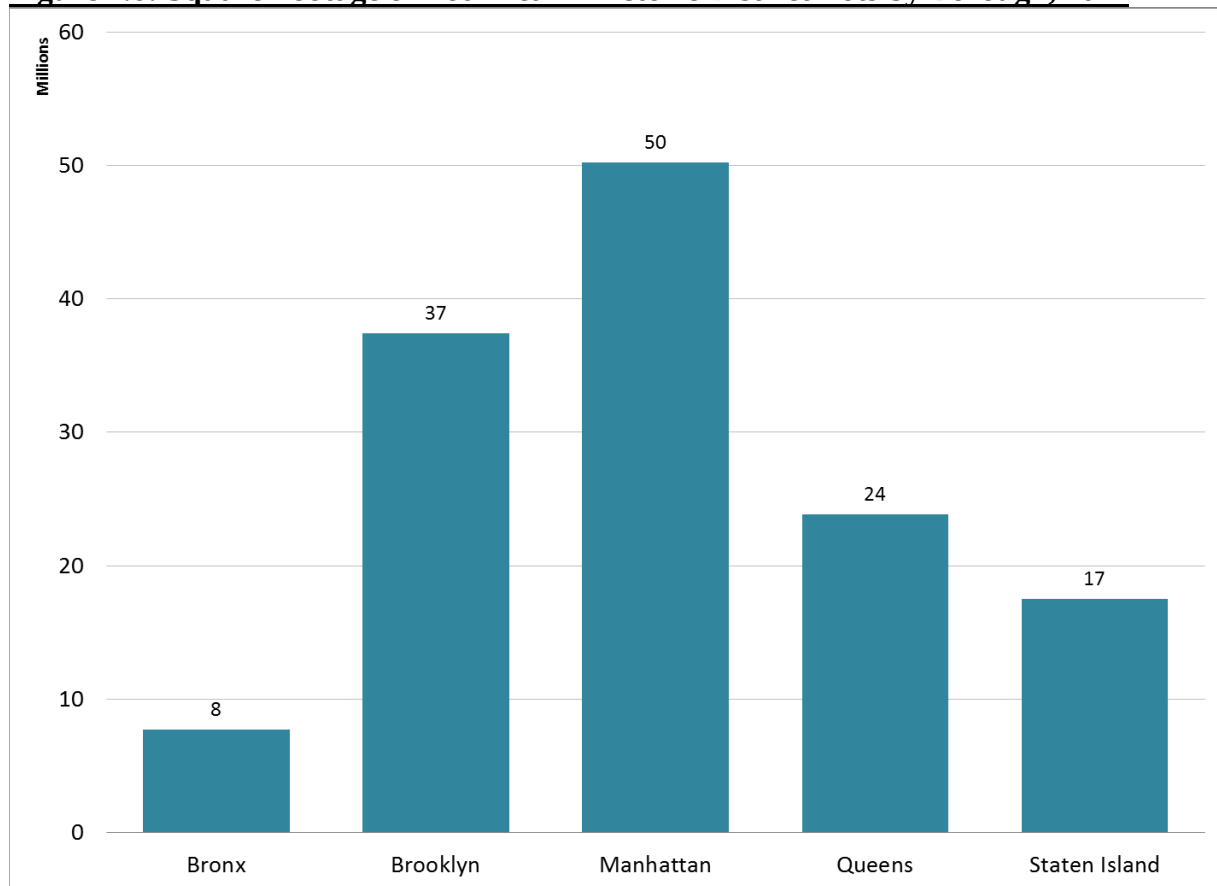
a historic district. Figure 2.6 shows that the amount of lot area covered by a historic district designation is greatest in Manhattan, where 50 million square feet were covered. Brooklyn has 37 million square feet of lot area covered, and Queens has 24 million square feet of lot area covered by historic district designation.

Figure 2.5: Count of Lots in Historic Districts by Borough, 2014



Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 2.6: Square Footage of Lot Area in Historic District Lots by Borough, 2014

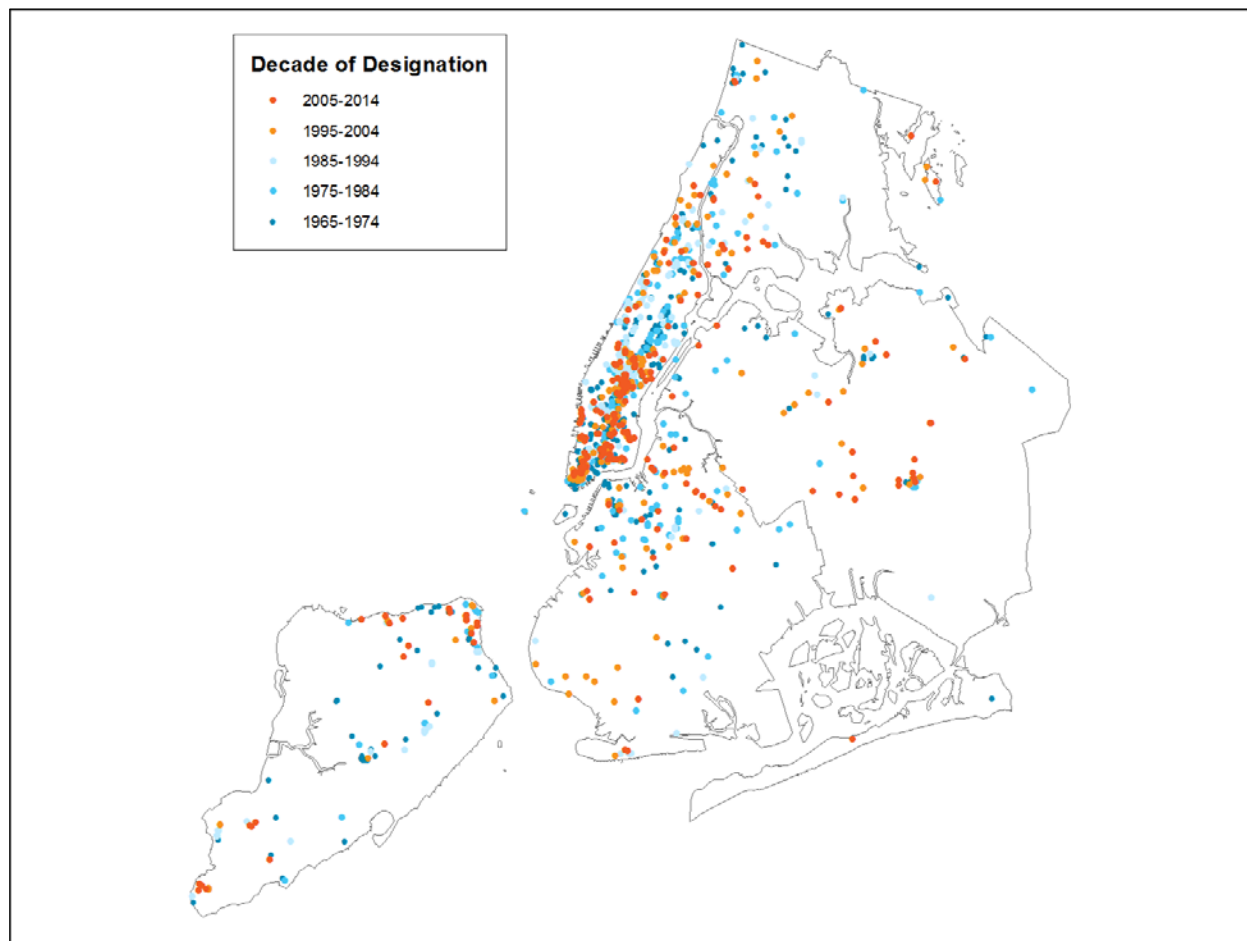


Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
To be consistent with Figure 2.10, the amount of lot area in this graphic includes the total lot area of lots that were covered by historic districts. This is in contrast to the lot area described in Figure 2.8 which includes just the portions of lots that were within historic districts.

2.2: The Expansion of Individual and Interior Landmarks

In addition to the designation of historic districts, the LPC also designates individual and interior landmarks. In Figure 2.7, we show the growth of lots with individual and interior designations for each decade since 1965. This figure highlights the diffusion of interior and individual landmarks across the city, as well as the significant concentration of these designations within Manhattan.

Figure 2.7: Individual Landmarks and Interior Designations by Decade



Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

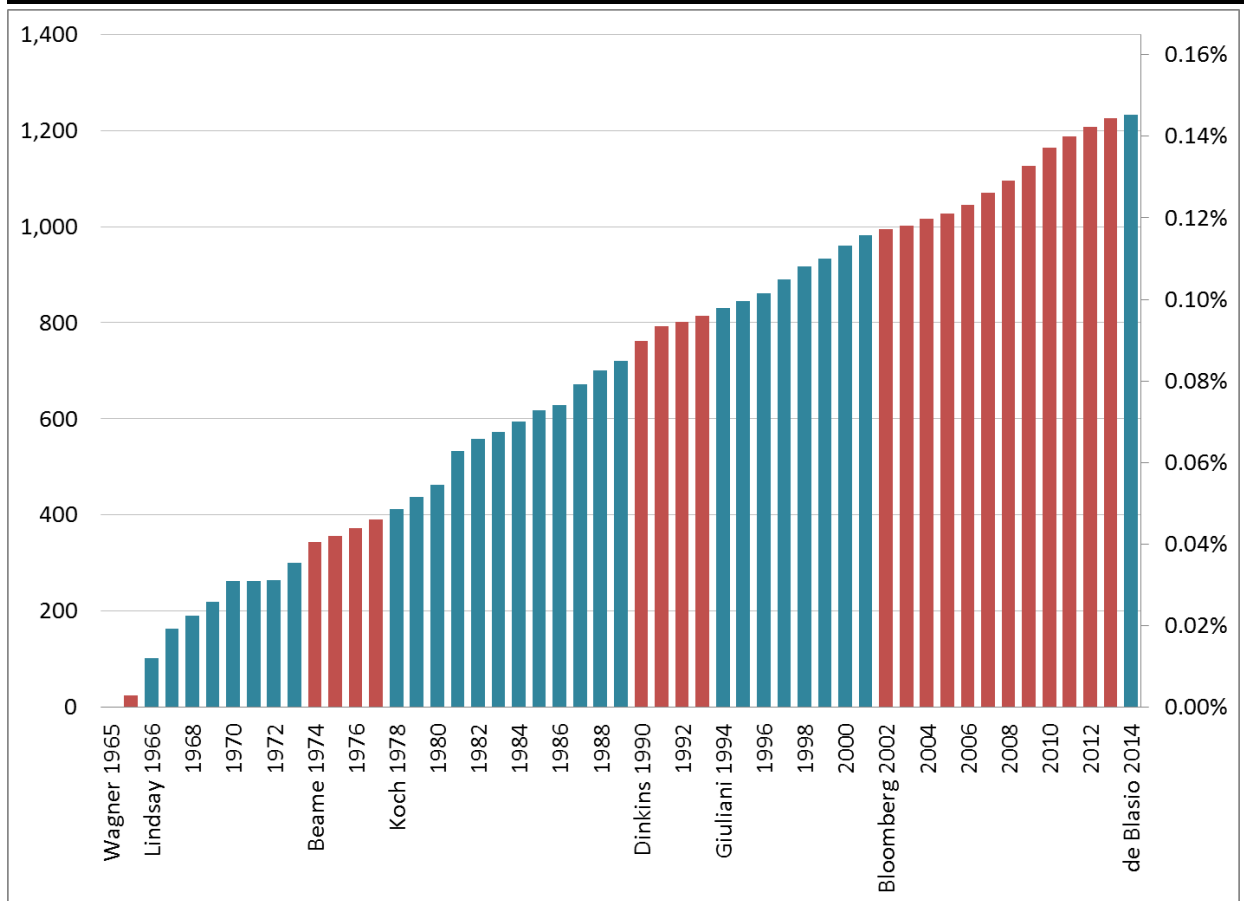
Across the city, the number of individual landmarks far exceeds the number of interior landmarks. By 2014, the LPC had designated 1,347 individual landmarks across the city. These include scores of iconic buildings in New York City, including the Astor Library, City Hall and the Church of the Transfiguration in Manhattan; the Brooklyn Public Library and Litchfield Villa in Brooklyn; and the Flushing Town Hall in Queens. While the pace of historic preservation for individual landmarks exceeds the designation of interior landmarks, the LPC designated interior landmarks on 117 lots in the city by 2014. These designations include such notable interiors as the Loew's Paradise Theater Interior in the Bronx, the Long Island Historical Society Building in Brooklyn, the Apollo Theater in Manhattan, the Rufus King House in Queens and the Sailors' Snug Harbor - Chapel in Staten Island.

Figure 2.8 traces the diffusion of the number of lots with an individual or interior landmark by year. In the figure, we show a relatively consistent increase in the regulation of lots covered by an individual or interior designation in New York City. By 2014, about 1,232 lots in New York City – or about 0.14% of all city lots – housed a structure designated as an individual or interior landmark or both.²⁵ On average, 25 lots per year were newly designated as an individual or interior landmark. Mayor Lindsay saw the highest average number of designations per year at 35, and so far Mayor de Blasio has overseen the lowest average number of designations at six per year.²⁶ We note that de Blasio’s number reflects just the first year of his tenure where less activity may be expected due to the transition between LPC Chairs and a change in priorities.

²⁵ The number of lots with an individual or interior designation we present is lower than the number of total individual or interior designations because more than one designation can occur on a given lot and some designations had occurred for structures that are not on official NYC tax lots. Furthermore, we remind readers that our “universe” of lots considered here excludes a number of lots identified in the appendix.

²⁶ The average number of lots with new individual or interior designations per year of administration was as follows: Wagner-25, Lindsay-35, Beame-23, Koch-28, Dinkins-24, Giuliani-21, Bloomberg-20, de Blasio-6.

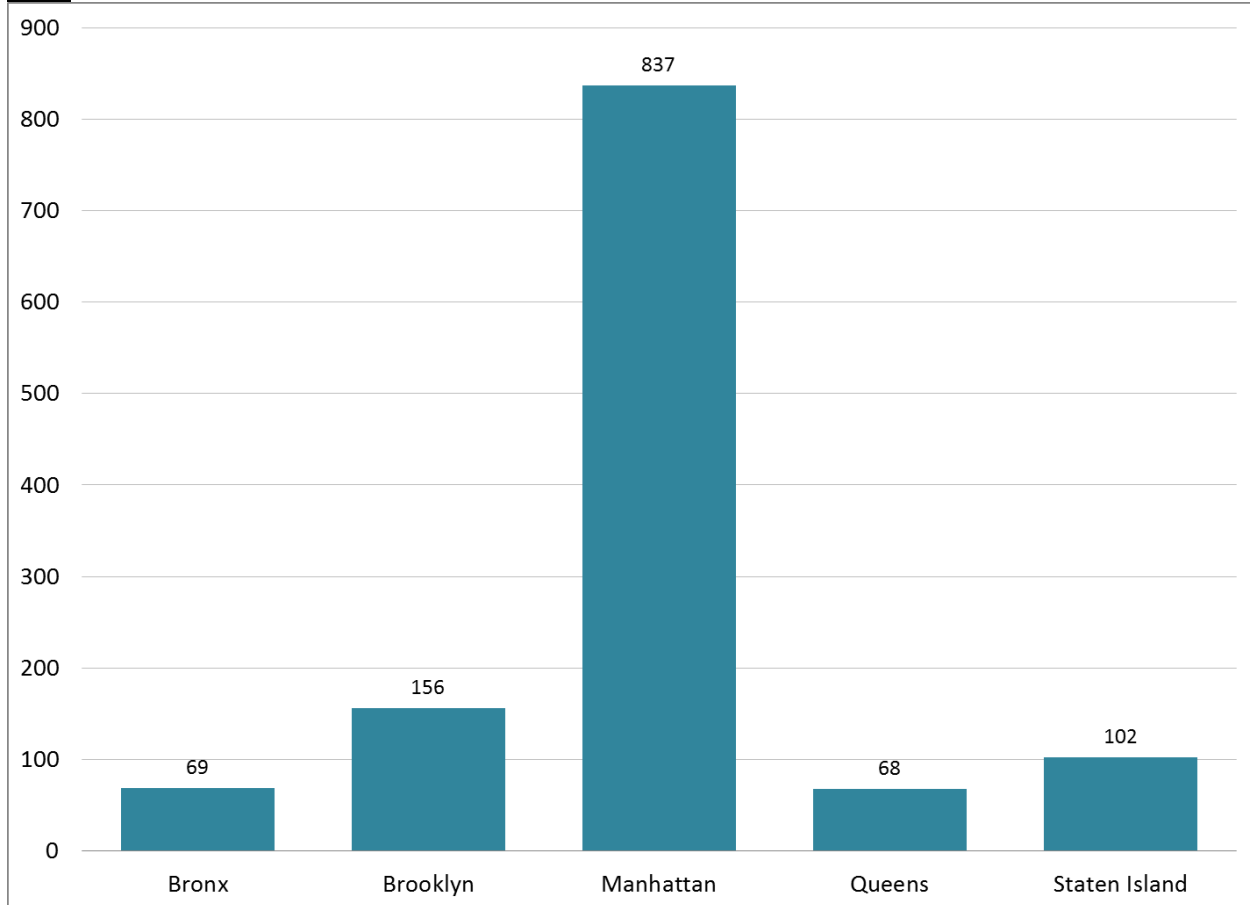
Figure 2.8: Count and Percent of City Lots with Individual or Interior Designation by Year



Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
 Alternating colors reflect mayoral administrations.

In Figure 2.9, we look at the number of lots covered by individual and interior designations by borough. The figure shows a clear contrast between the number of lots designated in Manhattan compared to the other boroughs. In Manhattan, 837 lots were covered with an interior or individual landmark designation. This figure is more than double the number of lots covered in the remaining boroughs combined.

Figure 2.9: Count of Lots Covered by Individual and Interior Designations by Borough, 2014



Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

In the final figure in this section, we report the share of lots and lot area included in a historic district or designated as an individual or interior landmark across boroughs. In order to avoid double counting, the individual and interior landmarks category includes only landmarked properties that are not also inside of a historic district. As reported in Figure 2.10, 3.4 percent of the city's lots and 4.4 percent of the city's land area were either located inside a historic district or were protected as an individual landmark at the end of 2014. However, the coverage across boroughs ranges widely. In Manhattan, 27 percent of lots were either include in a historic district or designated as an individual or interior landmark. Those lots comprise 19.9 percent of lot area in Manhattan.

This coverage is notably different than that in the remaining boroughs in New York City. In Queens, just 1.6 percent of lot area was covered by an LPC designation. The percentages were 5.2 in Brooklyn, 3.2 in the Bronx and 3.1 percent in Staten Island.

Figure 2.10: Percent of Borough and NYC Lots and Lot Area Regulated by the LPC, 2014

	Metric	NYC	Brooklyn	Bronx	Manhattan	Queens	Staten Island
Historic Districts	Lots	3.3%	4.4%	1.0%	25.4%	1.1%	0.2%
	Lot Area	3.0%	3.4%	1.3%	14.7%	1.5%	1.8%
Individual + Interior Designations*	Lots	0.1%	0.1%	0.1%	1.6%	0.0%	0.1%
	Lot Area	1.4%	1.8%	1.9%	5.2%	0.1%	1.3%
LPC Designated	Lots	3.4%	4.5%	1.0%	27.0%	1.2%	0.3%
	Lot Area	4.4%	5.2%	3.2%	19.9%	1.6%	3.1%

Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

*The individual + interior designation row includes only designations not within historic districts.

While the table shows that 1.4 percent of lot area for New York City was covered by a lot containing an individual or interior landmark, the percentage dropped to 0.6 if we restrict to the building footprint of individually designated landmark structures. We also note that the percent of New York City's lot area covered by a historic district in this table will reflect the total lot area of any lots even partially covered by a historic district designation. As Figure 2.4 shows, only 2.7 of New York City's lot area was part of a historic district by the end of 2014.

This section shows the steady expansion of historic preservation in New York City and reveals noteworthy differences across boroughs in the scope and coverage of preservation. Since 1965, we have seen a relatively steady growth in the number of lots regulated by the LPC, both through the designation of historic districts and through individual and interior designations. By the end of 2014, 3.4 percent of the city's lots (and 4.4 percent of the city's lot area) were regulated in some form by the LPC. Although designations have occurred in all boroughs, they have not been evenly distributed throughout the city. In Manhattan, 27 percent of lots, covering almost 20 percent of lot area, were regulated by the LPC. In Staten Island, 0.3 lots had an LPC designation while 3.1 percent of lot area had an LPC designation.

Section 3: Characteristics of Properties in Historic Districts

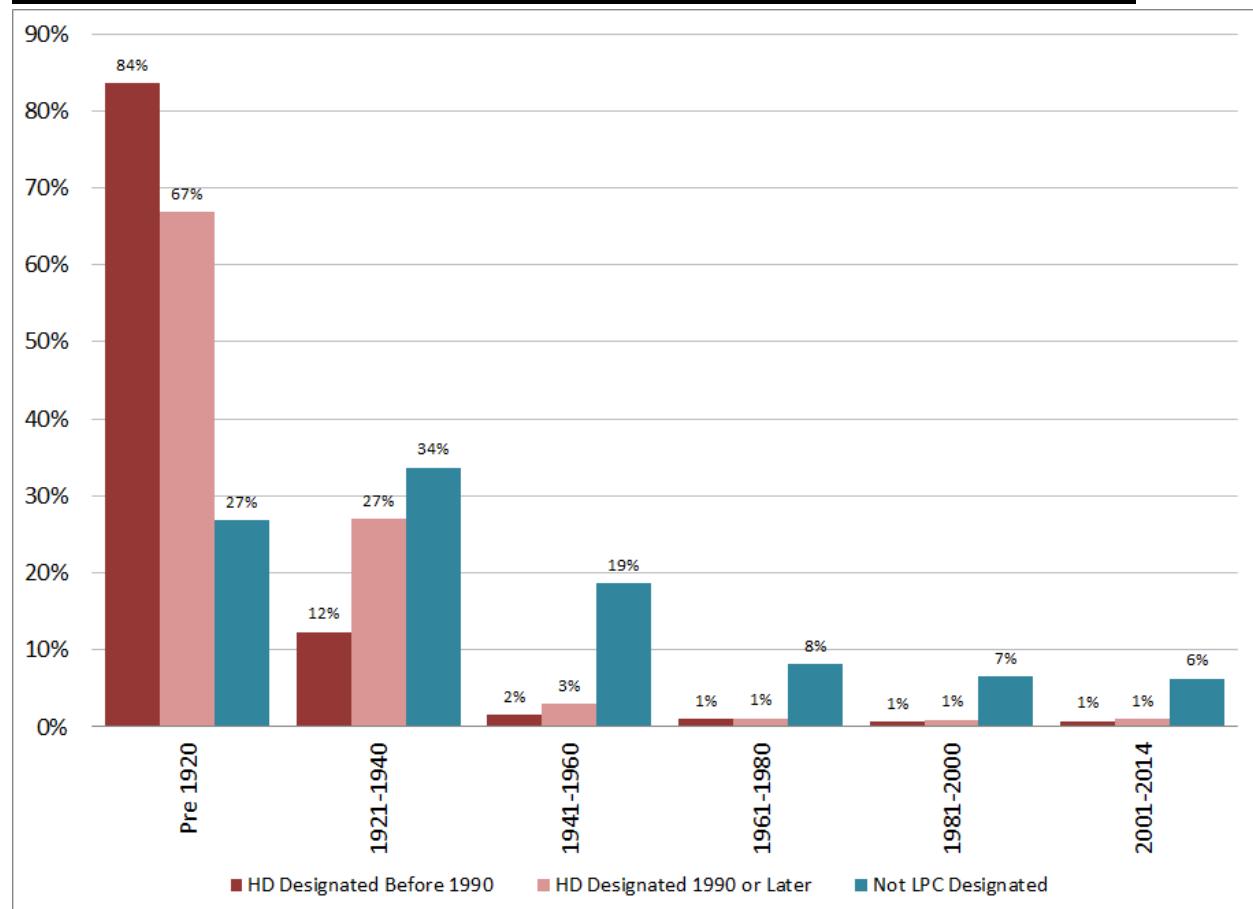
The previous section described the diffusion and expansion of historic districts and individual landmarks across New York City. In this section, we turn our attention to the characteristics of lots within historic districts, comparing them to the characteristics of lots not governed by LPC - that is, lots that are outside of designated districts and not separately designated as an individual or interior landmark.²⁷ This analysis identifies differences in the age of buildings, use of lots, and composition of housing units inside and outside of districts. Throughout Section 3, the unit of analysis for our research is the lot.

3.1: The Age of Buildings

Not surprisingly, buildings inside historic districts in 2014 were older than those located in other parts of the city. In Figure 3.1, we show differences in the age of buildings inside and outside of districts and explore whether districts designated more recently (since 1990) include newer buildings. In the districts designated before 1990, 84 percent of lots had a building built prior to 1921 and just 14 percent were built between 1921 and 1940. This stands in sharp contrast to the stock of buildings outside of districts, most of which were built in the 1920s or later. Historic districts designated more recently also contain a disproportionate share of older buildings though fewer of them were constructed prior to 1921.

²⁷ Throughout this report, we exclude lots with landmarked properties from the set of lots “outside of historic districts.”

Figure 3.1: New York City Buildings by Era and Historic Designation Status, 2014



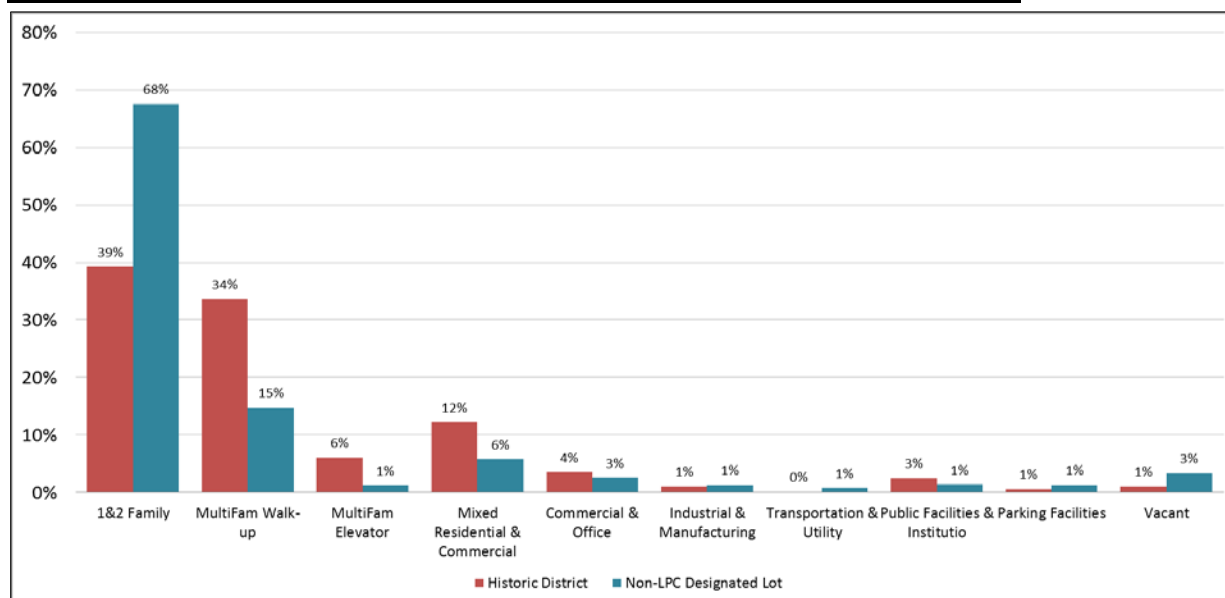
Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

3.2: The Primary Land Use of Lots

Next, we compare the land-use classification of lots located inside historic districts with those lots located outside of the districts. Both inside and outside of historic districts, lots in New York City were overwhelmingly used for residential purposes. However, as we report in Figure 3.2, a larger share of lots within historic districts was multi-family walk-up buildings. More than 30 percent of lots within historic districts were multi-family, walk-up buildings, as compared to 15 percent of non-LPC-regulated lots. Although one- and two-family homes remained the most common land-use for lots located inside a historic district, with nearly 40 percent of lots dedicated to this type of land-use, the share of lots housing one- and two-family homes was substantially higher for non-LPC-regulated lots. Overall, 73 percent of

the lots in historic districts were devoted to exclusively residential uses as compared to 83 percent of lots outside of districts.

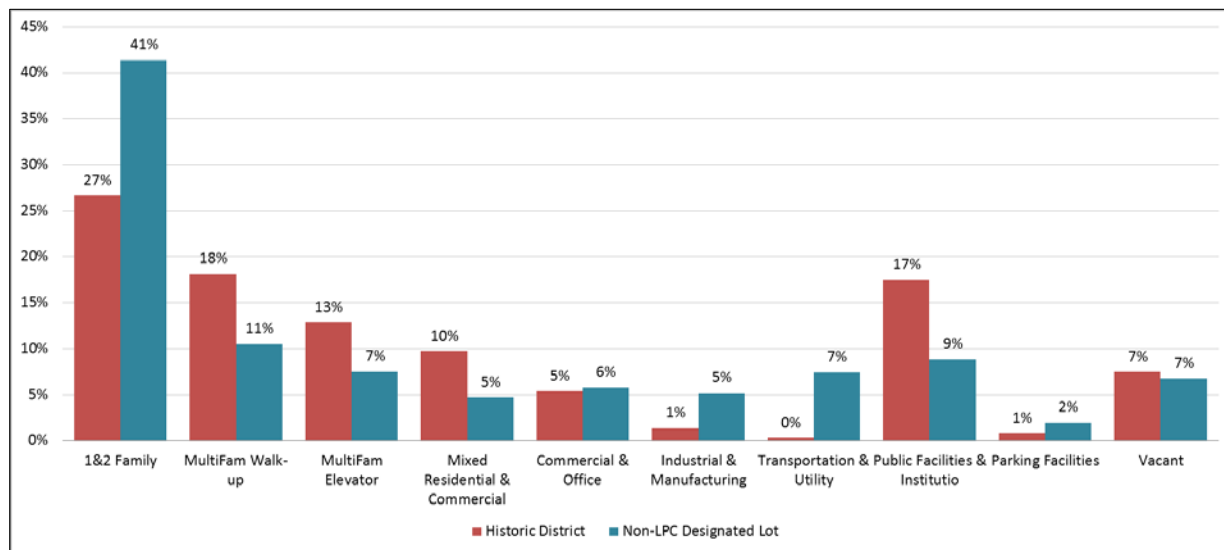
Figure 3.2: Land Use of Lots Inside and Outside of Historic Districts, 2014



Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Although residential use for individual and multi-family housing makes up the primary land use of lots within historic districts, the analysis of lot *area* tells a slightly different story. As we report in Figure 3.3, a sizable amount of land area within historic districts (17%) is occupied by public facilities and institutions. That land use category includes government uses, universities, schools and not-for-profit establishments, including places like Governors Island, New York University, various religious institutions and fire houses. A larger share of lot area inside historic districts is covered by such uses than lot area of non-LPC-regulated lots (17% versus 9%).

Figure 3.3: Land Use of Lot Area Inside and Outside of Historic Districts (Million S.F.), 2014

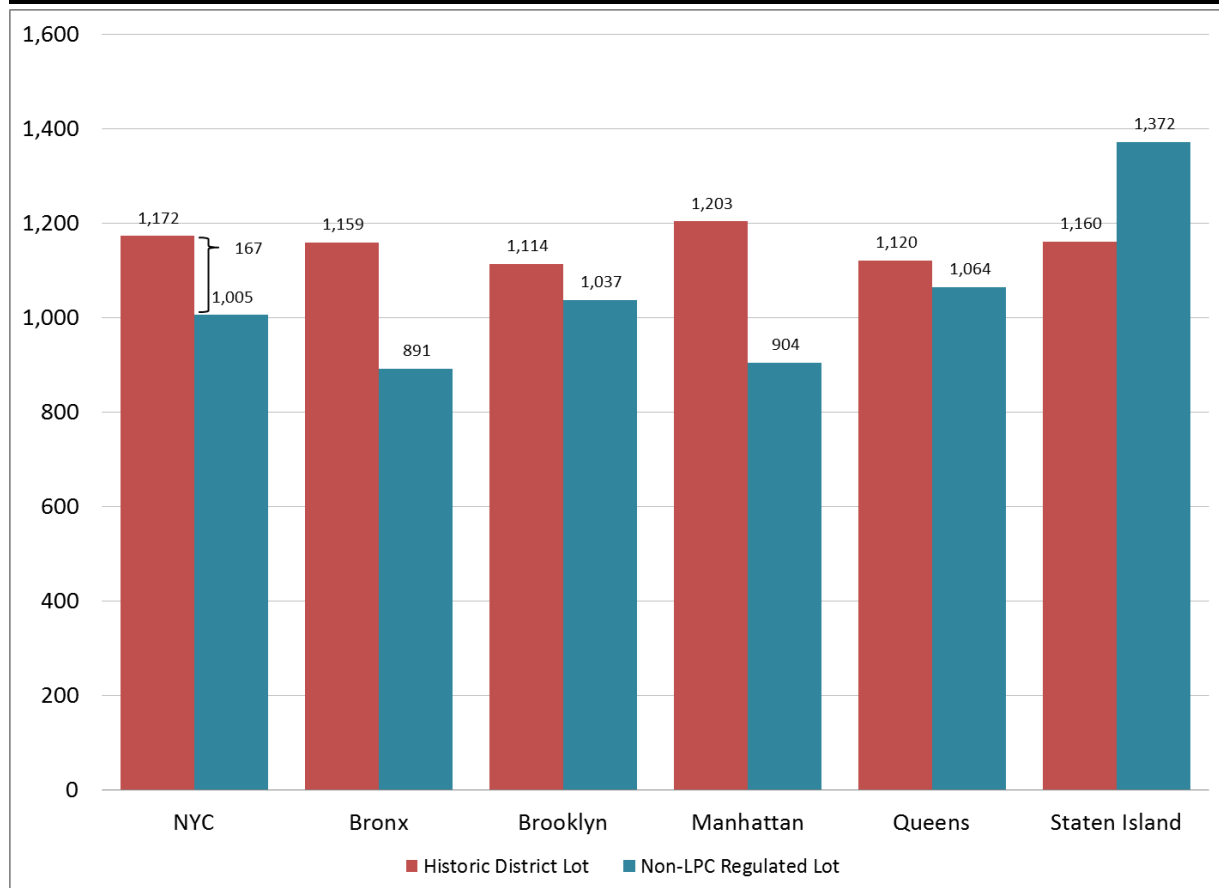


Sources: New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

3.3: Size of Residential Units

Housing units within historic districts tend to be somewhat larger than those outside. In Figure 3.4, we compare the average size of residential units within and outside of historic districts. The size of the average residential unit was 1,172 square feet inside of historic districts, as compared to 1,005 square feet outside of historic districts. Figure 3.4 shows that this size pattern holds in all boroughs except Staten Island, where units were larger outside of historic districts. There is a wide range in average unit size across historic districts. In the Fieldston Historic District, predominantly comprised of single-family homes, the average residential unit was 3,631 square feet as compared to just 540 square feet in the Lamartine Place Historic District.

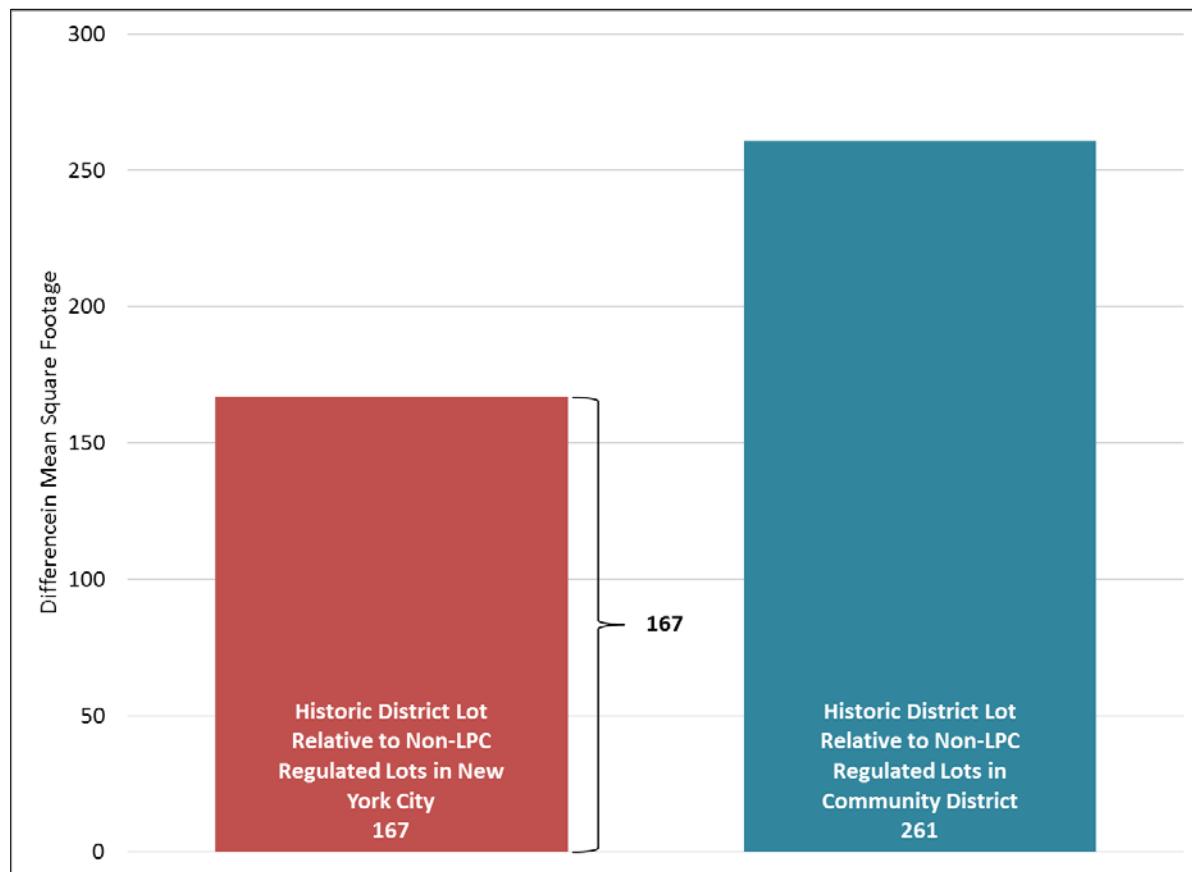
Figure 3.4: Mean Residential Square Footage of Residential Unit by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

We also look to see whether the differences appear when comparing units within the same community district. In Figure 3.5, we show that when accounting for variation between community districts, we find that the differences still hold. On average, housing units within historic districts were 261 square feet larger than residential units in non-LPC-regulated buildings within the very same community district.

Figure 3.5: 2014 Difference in Mean Square Footage Inside and Outside of Historic Districts Increases Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

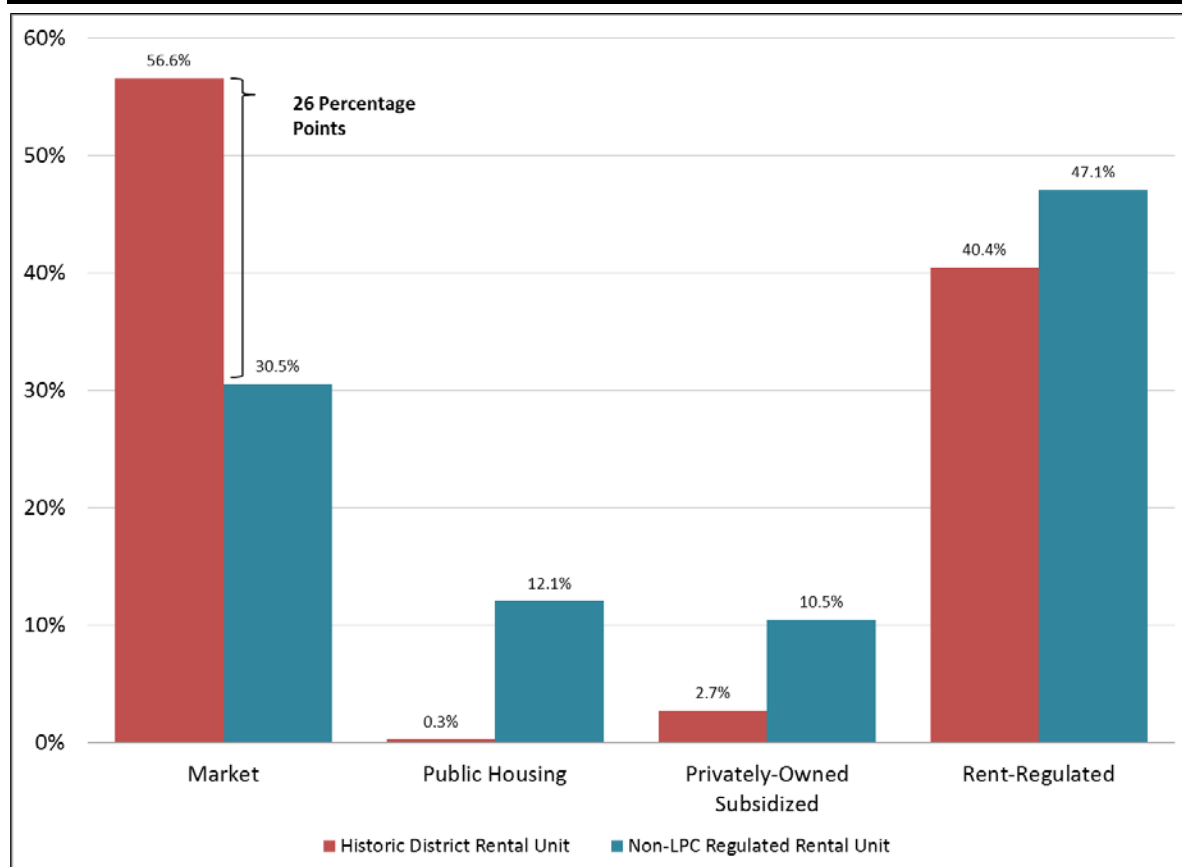
3.4: Rent Regulation and Subsidy Status of Multifamily Rental Units

We also find differences in the composition of the multifamily rental housing stock. The details of our methodology are explained in Appendix C, but we note here that our analysis includes buildings with five or more units and that categories presented are mutually exclusive.²⁸ In Figure 3.6, we show that a larger proportion of the multifamily rental units on historic district lots were market-rate units as of 2013. On those lots, 56.6 percent of rental units were market-rate, as compared to 30.5 percent of rental

²⁸ In particular, while units in privately-owned income-restricted subsidized properties were generally subject to rent-regulation, we only count those units in the privately-owned subsidized category because that regulation is more restrictive. Further, while some buildings may have had some rent-regulated units and other units rented at market-rate, we separate out those units between the two categories.

units in other parts of the city. Much of this difference was driven by the fact that public housing units make up a far smaller share of rental units within historic districts. Only 0.3 percent of multifamily rental units in historic districts were public housing units, as compared to 12.1 percent of the rental stock on other lots in the city. Privately owned, income-restricted subsidized units also comprised a much smaller share of multifamily rental units in historic districts at just 2.7 percent compared with 10.5 percent of units outside of historic districts. The percentage of multifamily units that were rent-regulated (and neither in public housing or subject to income restrictions) was more similar with 41.4 percent of rental units within historic districts and 47.1 percent of rental units outside of districts. Together, public housing units, privately owned, income-restricted subsidized units and rent-regulated units comprised 44 percent of rental units on historic districts lots as compared to 70 percent of rental units on other lots.

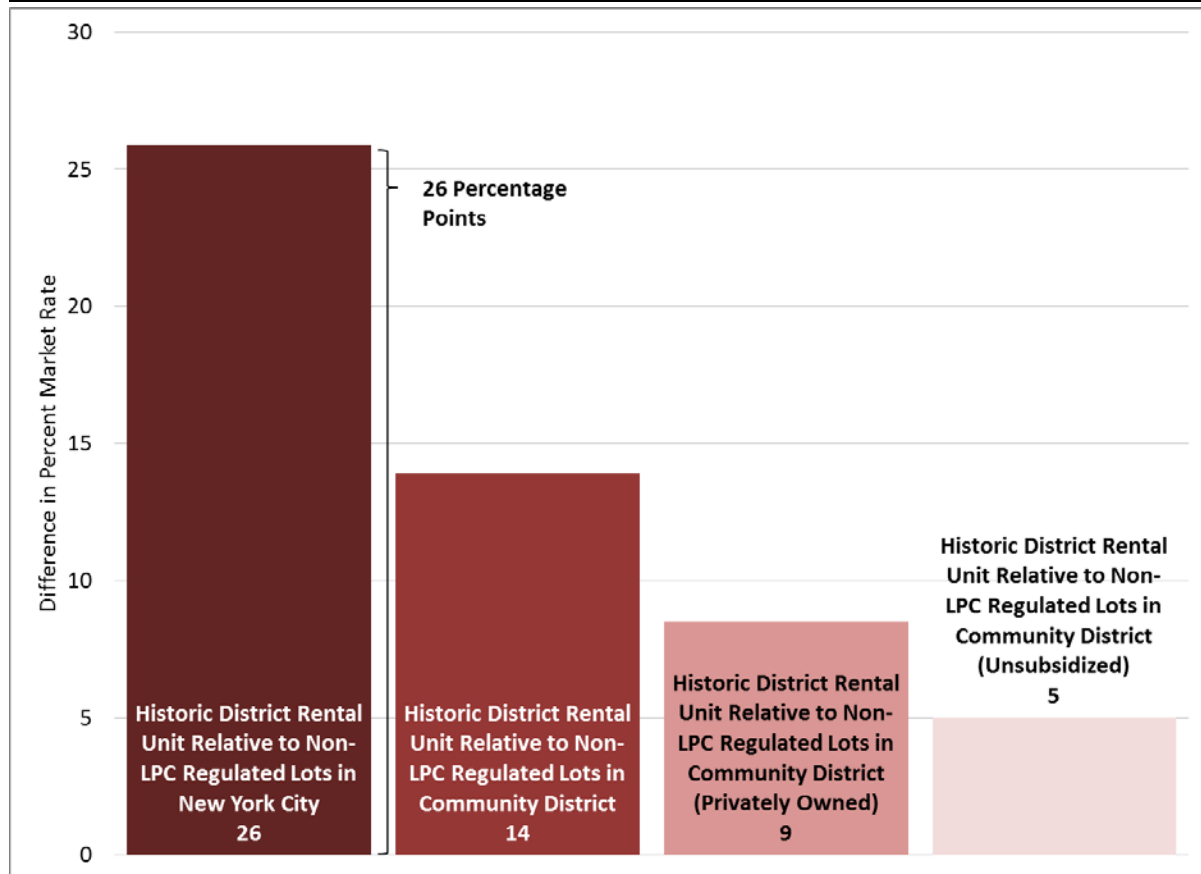
Figure 3.6: Distribution of Multifamily Rental Units by Type and Historic Status, 2013



Sources: New York City Housing Authority, John Krauss, New York City Department of Finance, New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

We can explain some of the 26-percentage point difference in the share of multifamily rental units that were market rate by the concentration of historic districts in particular parts of the city. When we look within community districts in Figure 3.7, we find that rental units in historic districts were more likely to be rented at market rates than non-LPC-regulated rental units in the very same community district. However, the difference in the share of rental units that were market rate within community districts falls to 14.1 percentage points. When we exclude NYCHA properties, the average difference between the percentage of market rate units inside and outside historic districts drops to 8.8 percentage points. It further falls to 5.4 percentage points when we restrict the analysis to unsubsidized buildings by excluding both NYCHA properties and privately owned, subsidized units. In other words, within community districts, the share of unsubsidized multifamily rental units that were rent regulated was on average 5.4 percentage points lower within historic districts than outside.

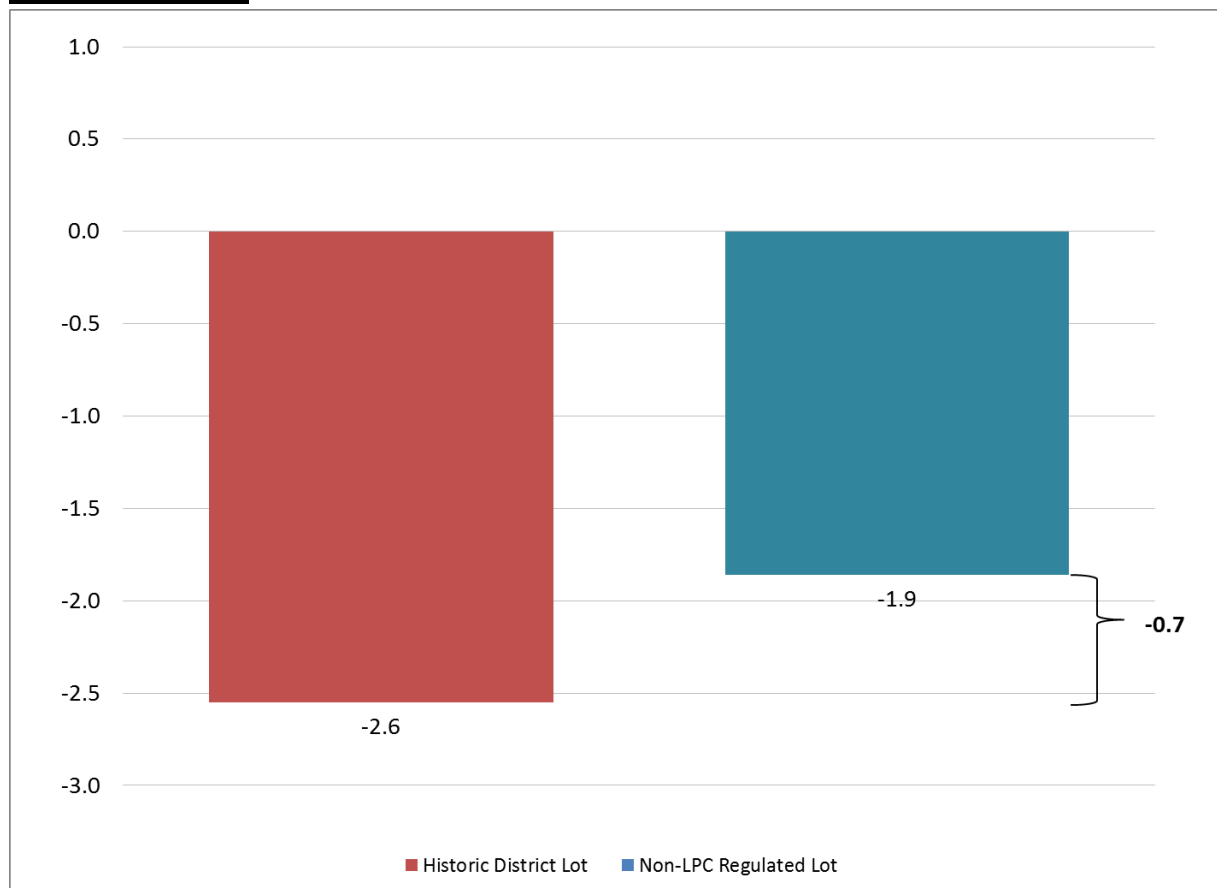
Figure 3.7: 2013 Difference in Share of Units with Market Rate Rents Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: New York City Housing Authority, John Krauss, New York City Department of Finance, New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

While rental units on the LPC-regulated lots were more likely to be market-rate and less likely to be rent-regulated, they were no more likely to exit rent stabilization or rent control than other units in their neighborhood. As Figure 3.8 shows, between 2007 and 2013, pre-1974 properties with rent-regulated units on historic district lots lost an average of 2.6 units between 2007 and 2013. Properties with rent-regulated units on lots not regulated by the LPC lost an average of 1.9 units over this time period.

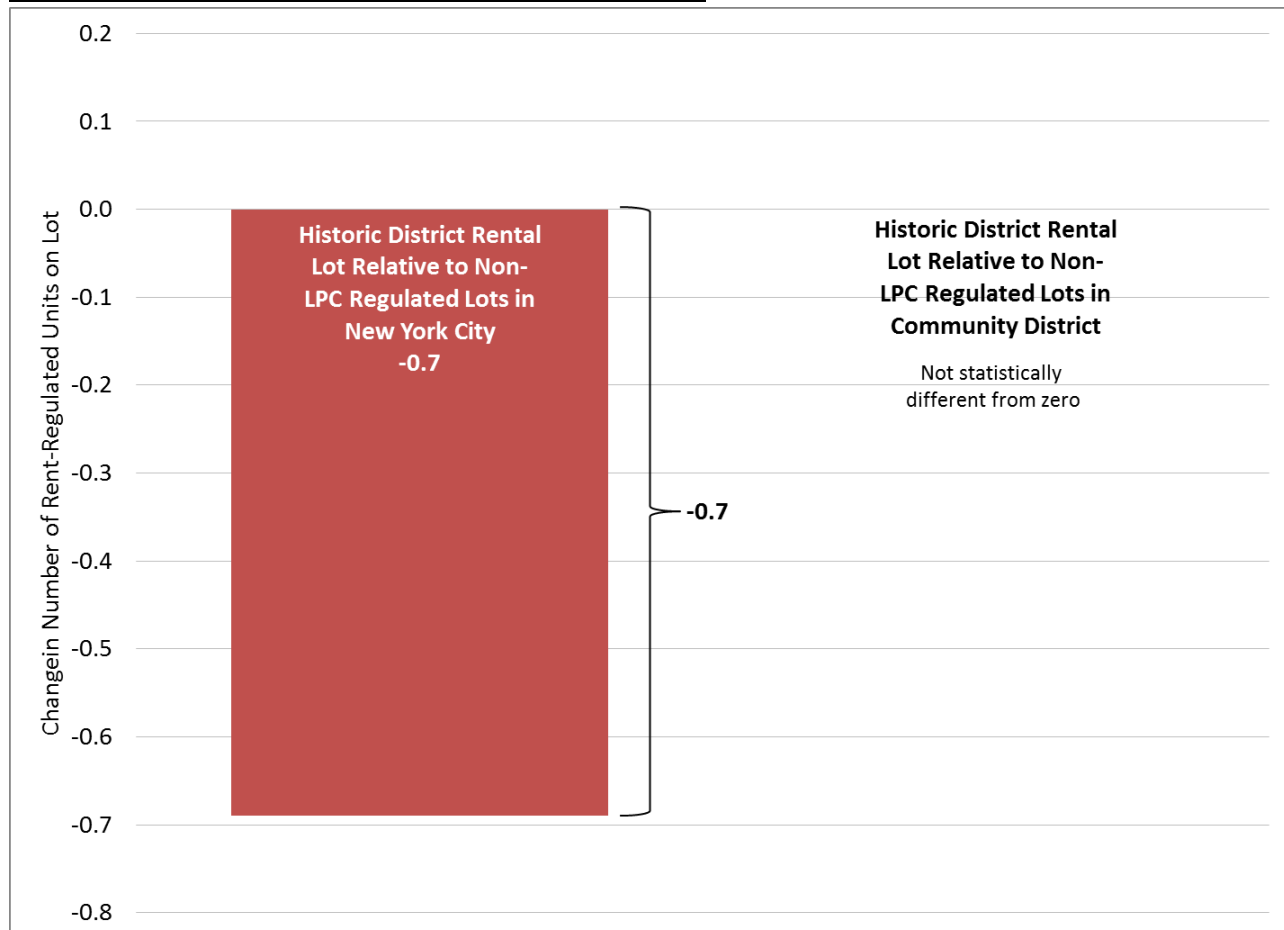
Figure 3.8: Average Change in Rent-Regulated Units for a New York City Lot by Historic Status, 2007-2013



Sources: New York City Housing Authority, John Krauss, New York City Department of Finance, New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

However, once we control for the community district in which a lot is located and the number of rent-regulated units on a property in 2007, this difference goes away, as shown in Figure 3.9. In other words, once we account for the fact that historic districts tend to be located in community districts with stronger rental markets, we find that buildings with rent-regulated units within historic districts experienced an equivalent decline in the number of rent-regulated units as rent-regulated buildings in the same community district but not under LPC regulation.

Figure 3.9: Difference in Loss of Rent-Regulated Units Inside and Outside of Historic Districts Falls to Zero Within Community Districts



Sources: New York City Housing Authority, John Krauss, New York City Department of Finance, New York City Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

* * *

This section shows that historic districts were far more likely to include older buildings than areas outside of historic districts. Like non-LPC lots, the vast majority of historic district lots were residential, but a larger percentage of lot area was covered by public facilities and institutions. We find that residential units were larger, on average, in historic districts as compared to units in the very same community district but outside of LPC jurisdiction. Regarding the housing stock, we show that historic district rental units were more likely to be rented at market rate. But we find that buildings in historic districts were no more likely to lose rent-regulated units than other buildings in the same community district.

Section 4: Density and Development

One common concern voiced by critics of historic preservation is that the regulations governing preservation reduce the density of development, discourage property investment, and ultimately dampen the supply of housing. In this section, we examine differences in densities (both built and permitted) and property investment between areas within historic districts and areas outside.²⁹ In addition, we test whether any differences we find hold within community districts. Specifically, we test whether density levels and development activity in historic districts differ, on average, from other areas in the same community district, by estimating a simple series of regressions. Our regressions models are described in Appendix C. As elsewhere in the report, we exclude individual and interior designations outside of historic districts from this analysis. At the same time, we did check to see if results would be different if we compared LPC-regulated lots (as opposed to just historic district lots) to non-LPC-regulated lots.

We rely on several measures to capture development intensity: built floor area ratio (FAR), maximum permitted FAR, and percentage of floor area ratio capacity that is actually used. To capture investment, we examine both new construction (in general and on residential soft sites) and alteration permits. We use the tax lot as our unit of analysis throughout this section. Subsequently, the term lot will always refer to the tax lot unless otherwise specified.

4.1: Built Floor Area Ratios

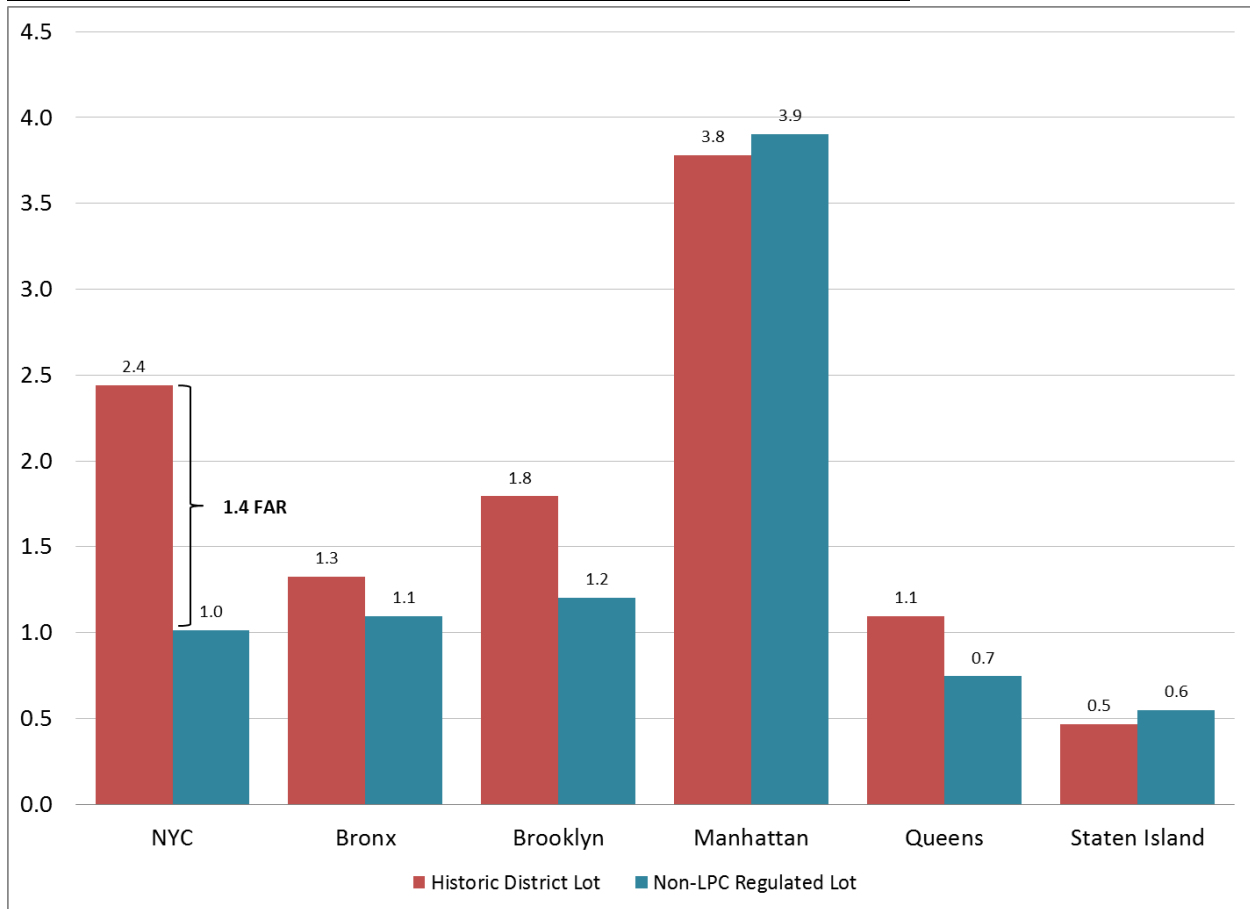
While we cannot (and do not aim to) say definitively whether the additional layer of regulation that comes with historic district designation actually reduces construction and alteration activity, we can shed some light on the density of the built environment in historic districts. Figure 4.1 shows that on average across the city, lots inside historic districts were built at a greater density than non-LPC designated lots outside (2.4 FAR vs. 1.0 FAR). This difference appeared largely because far fewer historic districts are designated in the low-density parts of the city outside of Manhattan. When we look

²⁹ For a brief discussion about the interaction between zoning and historic preservation, please see Appendix D.

separately by borough, Figure 4.1 shows a smaller difference in the density of lots inside historic districts and on non-LPC-regulated lots. Further, when we estimate a regression that allows us to compare density levels of lots within the same community district, Figure 4.2 shows that the 1.4 unit difference in FAR inside and outside of historic districts falls to zero. That is, we see no statistically significant difference between built FAR of historic district lots and other lots in the same community district, as indicated by the lightly shaded bottom bar that is not statistically different from zero in Figure 4.2.

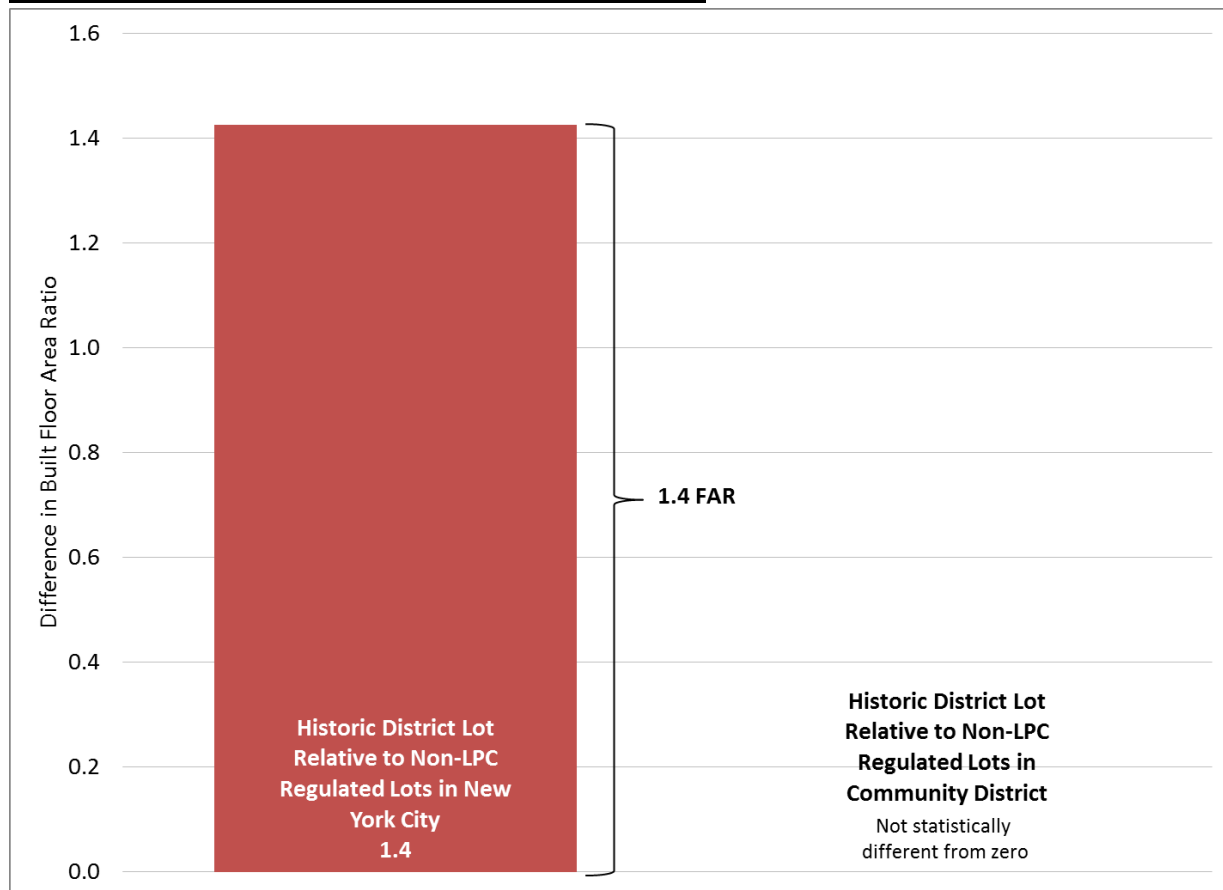
These figures report the average density levels. Of course, there is substantial variation in built density levels between districts, with some very high density districts and other very low density districts. While the Douglaston Hill Historic District in Queens was built to an FAR of just 0.2, the African Burial Ground & the Commons Historic District in Lower Manhattan was built to an FAR of 11.1.

Figure 4.1: Built Floor Area Ratio of Lots by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 4.2: 2014 Difference in Built Floor Area of Lots Inside and Outside of Historic Districts Falls to Zero Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

4.2: Zoned Floor Area Ratios

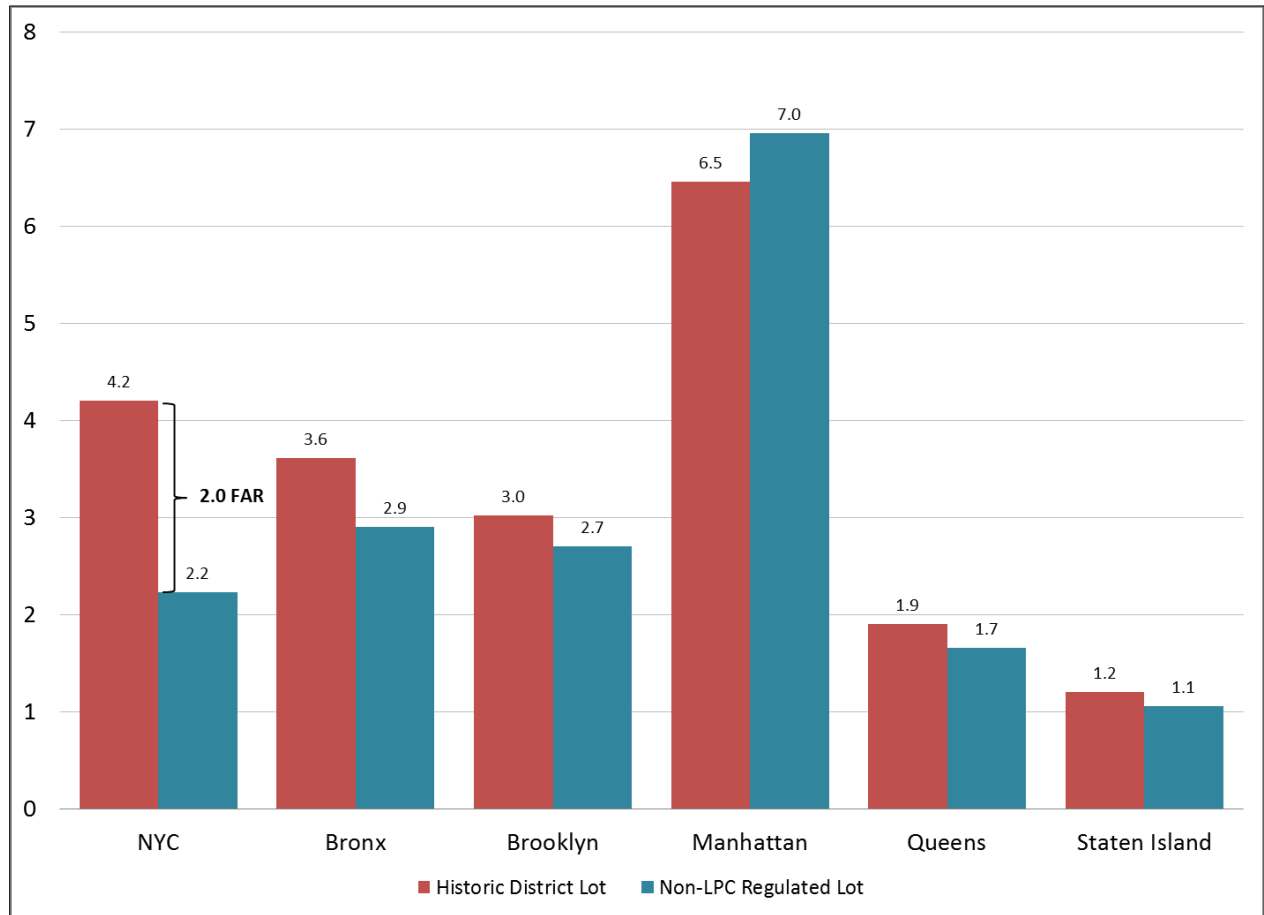
Figure 4.3 shows variation in the maximum FAR permitted by the Zoning Resolution, rather than the built FAR. While historic district lots are, on average, zoned for 4.2 FAR, we find that non-LPC-regulated lots outside of historic districts were zoned, on average, for 2.2 FAR. But again, these overall differences at the city level were driven largely by the concentration of historic districts in Manhattan. At the borough level, we see much smaller differences. While historic district lots were zoned for higher density than other lots in four of the city's five boroughs, Manhattan stood apart as historic district lots in Manhattan were zoned for 0.5 FAR less on average than non-LPC-regulated lots outside of historic

districts. Once we control for variation in permitted density levels across community districts, we see that historic district lots were zoned for somewhat *lower* density than non-LPC-regulated lots.³⁰ Compared to other lots in the same community districts, Figure 4.4 reveals that historic district lots were zoned for 0.5 less FAR. This difference was statistically significant. In some cases, historic districts have been followed by contextual rezonings that have reduced the allowable FAR. Thus we should be careful in interpreting the results here as indications of allowable density levels at the time of designation.

The variation across historic districts was again substantial. While eight districts were zoned for an FAR of just one, the Stone Street Historic District was zoned to allow for 14.3 FAR (inclusive of as-of-right bonuses).

³⁰ When we compare LPC-regulated lots to non-LPC-regulated lots within the same community district, there is not a difference in zoned FAR at a statistically significant level. This occurs because, on average, individual and/or interior landmarks are zoned for higher density zoning than non-LPC lots in the same community district.

Figure 4.3: Zoned Floor Area Ratio of Lots by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYC Zoning Resolution, NYU Furman Center

Figure 4.4: 2014 Difference in Zoned Floor Area of Lots Inside and Outside of Historic Districts Reverses Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYC Zoning Resolution, NYU Furman Center

4.3: Percentage of Permitted Floor Area Used

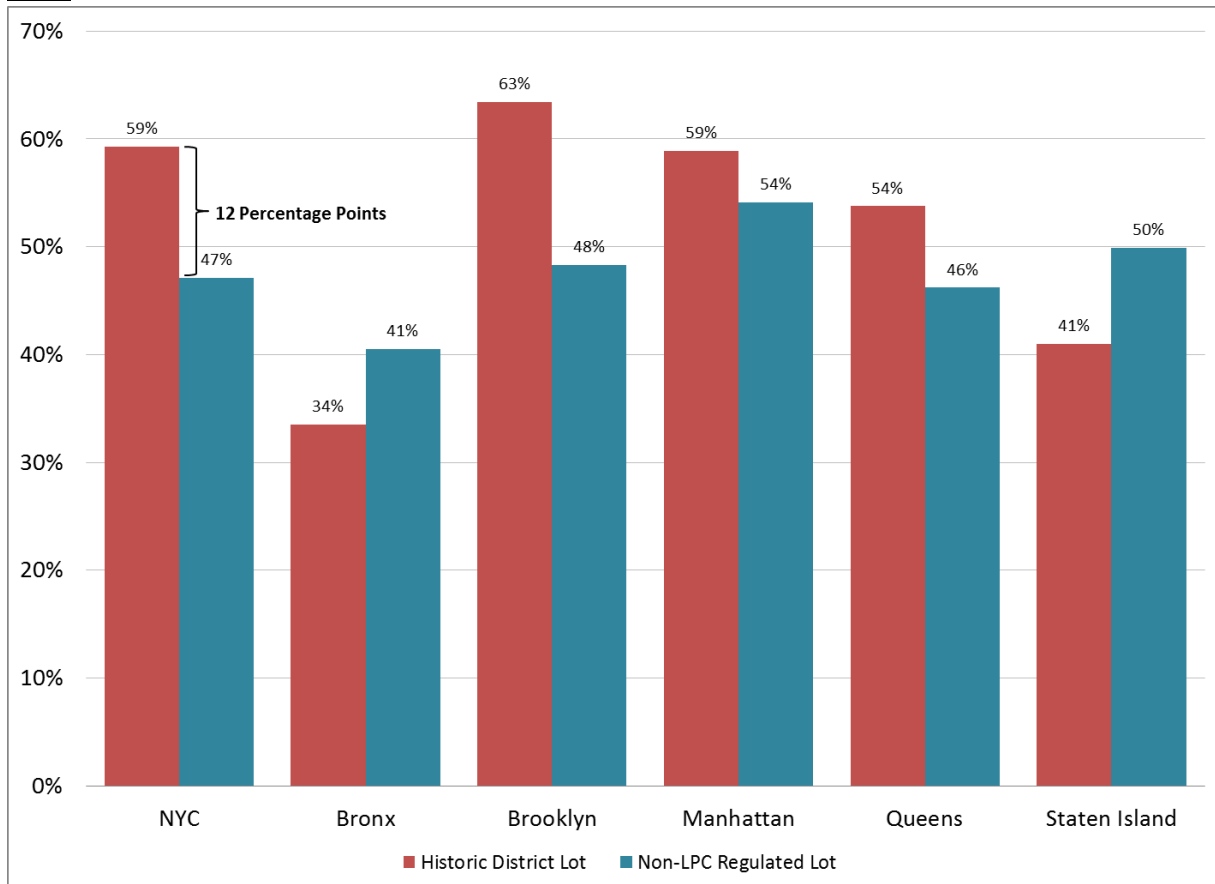
Above we show that while lots within historic districts were zoned for somewhat less density than other lots nearby, they were actually built to the same density levels. This pattern is explained by the fact that historic district lots have structures that use up a higher percentage of development rights on their lot than other nearby lots.³¹ While Figure 4.5 shows that 59 percent of the maximum zoning density was used on the average historic district lot in 2014, only 47 percent of development capacity used on city lots not

³¹ For each lot in the city (excluding some identified in Appendix C), we identify the maximum development capacity under zoning. We then identify the percent of permitted floor area of a lot that has been used.

regulated by the LPC. In other words, historic district lots were, on average, built to a greater proportion of permitted density than other lots. This same pattern holds for Manhattan, Brooklyn and Queens. We find that this pattern of floor area utilization also held true when looking within community districts, as shown in Figure 4.6. On average, historic district lots used seven percentage points more of their allowable floor area than non-LPC-regulated lots within the same community district.

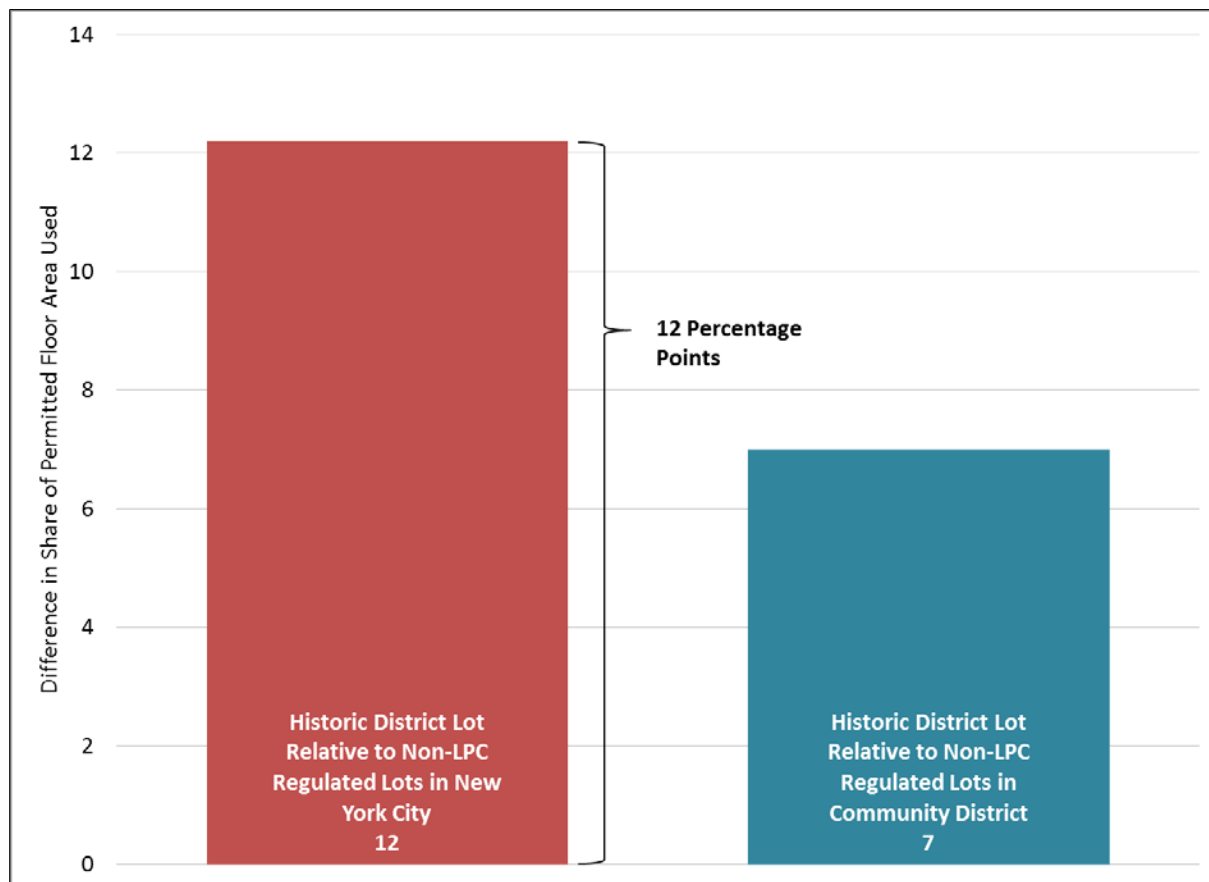
Again, there is substantial variation across historic districts. While the mean percent of development rights used on a lot in the Morris High School Historic District was just 14 percent, the mean percent used in the African Burial Ground & the Commons Historic District was 100 percent.

Figure 4.5: Average Percentage of Permitted Floor Area Used for Lots by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYC Zoning Resolution, NYU Furman Center

Figure 4.6: 2014 Difference in Share of Permitted Floor Area Used on Lots Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYC Zoning Resolution, NYU Furman Center

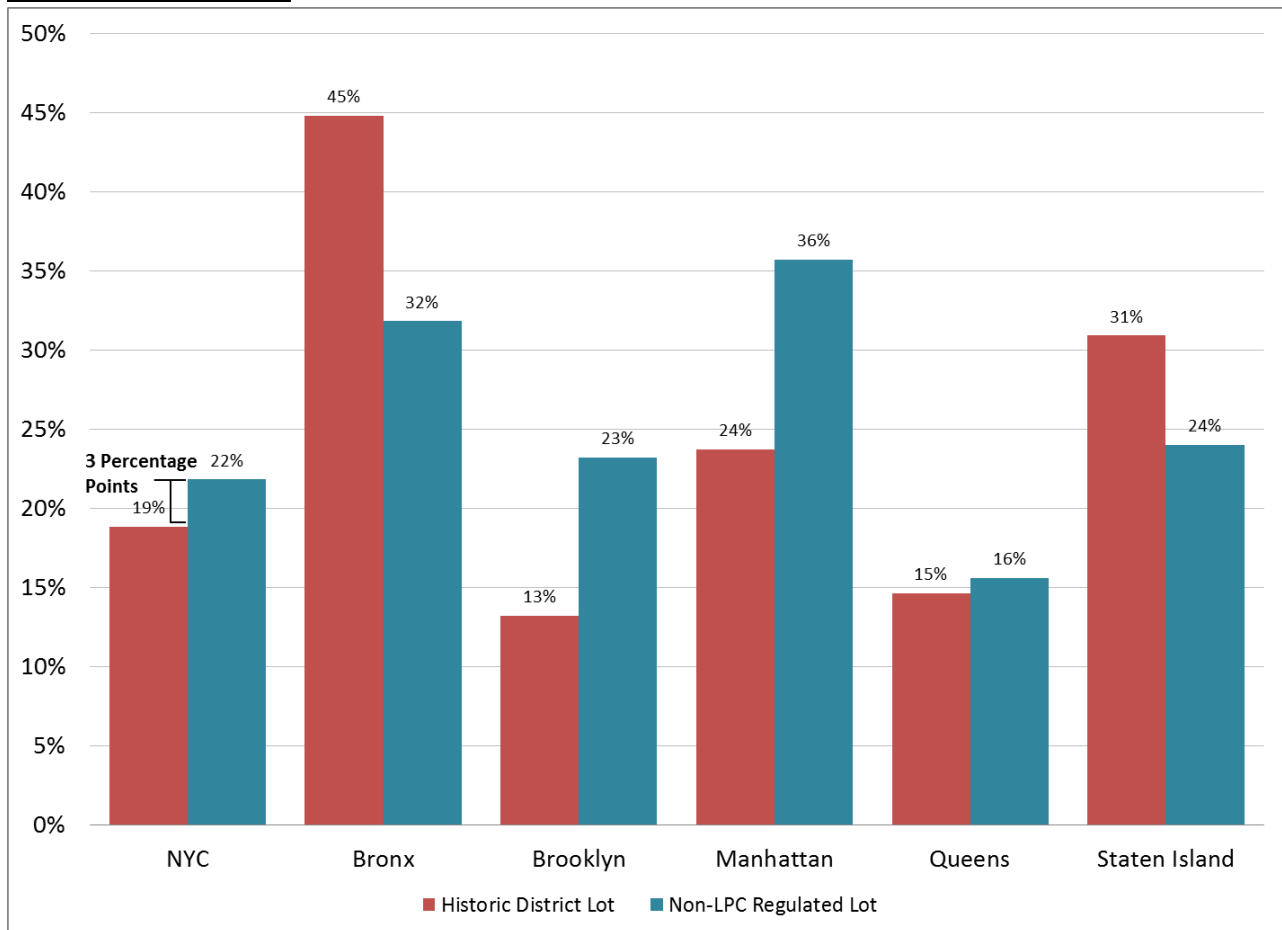
Although we find that lots in historic districts were zoned for less FAR and built to a greater percentage of permitted floor area than non-LPC-regulated lots, there is still a significant amount of unused floor area that is more costly to use as a result of historic district regulation. While the removal of restrictions on demolition and other costs associated with historic designation (e.g., higher costs due to use of historic material, fees paid to the LPC, and time and uncertainty related to the LPC review of plans) might make it easier to use this unused floor area, there are many factors that affect the likelihood of this capacity being used in the absence of historic district designation, including market strength and transaction costs. And of course there is substantial unused floor area outside of historic districts.

4.4: Residential Soft Sites

In addition to looking at the average percentage of zoning capacity used, we also consider whether historic districts house more residential ‘soft sites’ than other areas. Our measure of a soft site is a lot that is built out to less than half of its permitted floor area.

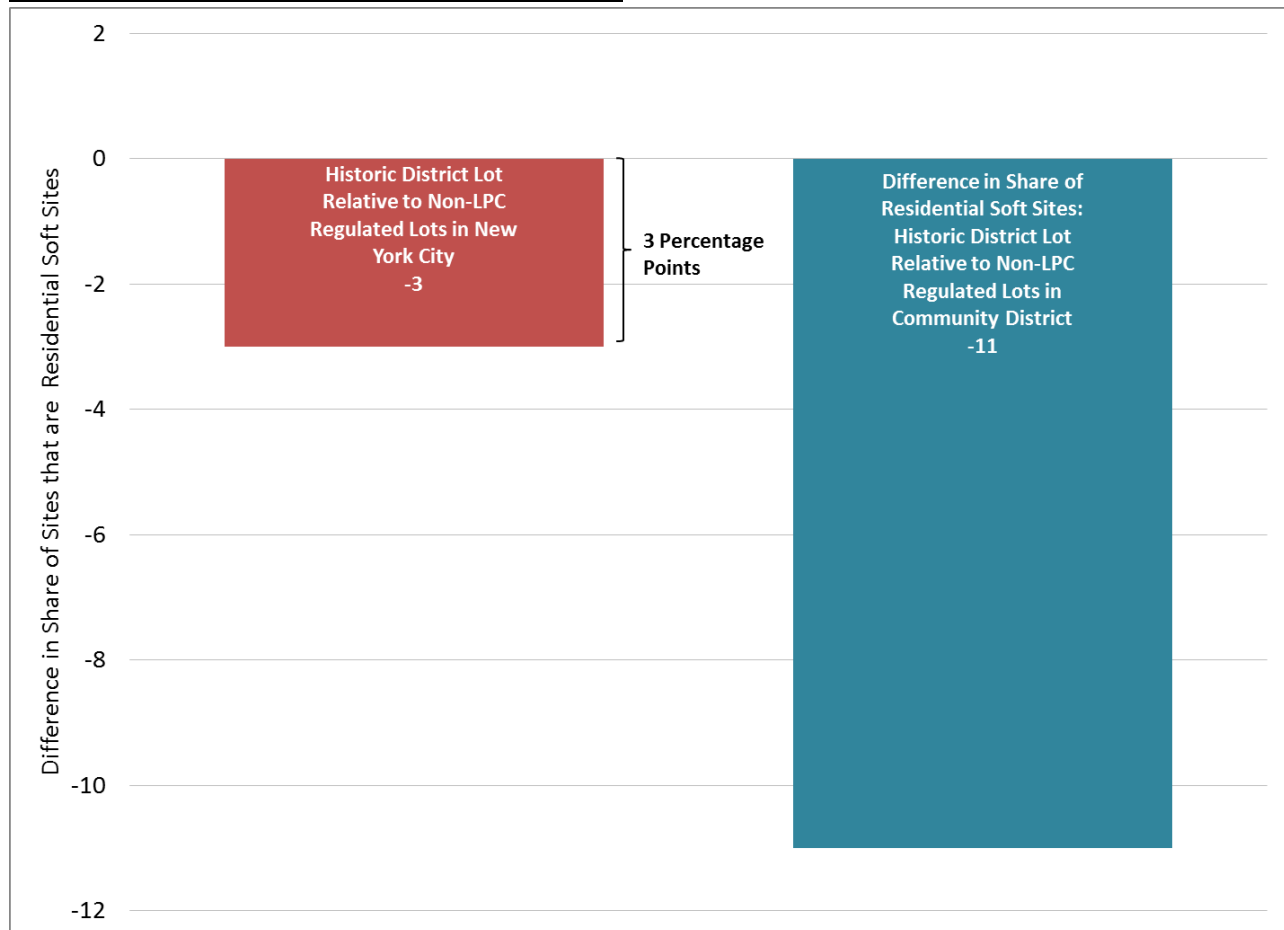
In Figure 4.7, we show that 19 percent of lots in historic districts citywide are residential soft sites, but 22 percent of non-LPC-regulated lots citywide are soft sites. While significantly fewer historic district lots are soft sites than other lots in Brooklyn (13% vs. 23%) and in Manhattan (24% vs. 36%), the pattern is reversed in the Bronx (45% vs. 32%) and in Staten Island (31% vs. 24%). In Figure 4.8, we show that the average differences actually increase when looking within community districts. Historic district lots on average were three percentage points less likely to be a residential soft site than other lots citywide, but the difference grows to 11 percentage points when comparing the share of residential sites that are ‘soft’ inside and outside of districts but within the same community districts. The difference may not be surprising, as the LPC may deliberately attempt to draw historic district boundaries so as to exclude vacant lots and surface parking lots.

Figure 4.7: Percentage of Lots with 50 Percent of Residential Floor Area Unused by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 4.8: 2014 Difference in Share Residential Soft Sites Inside and Outside of Historic Districts Grows Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

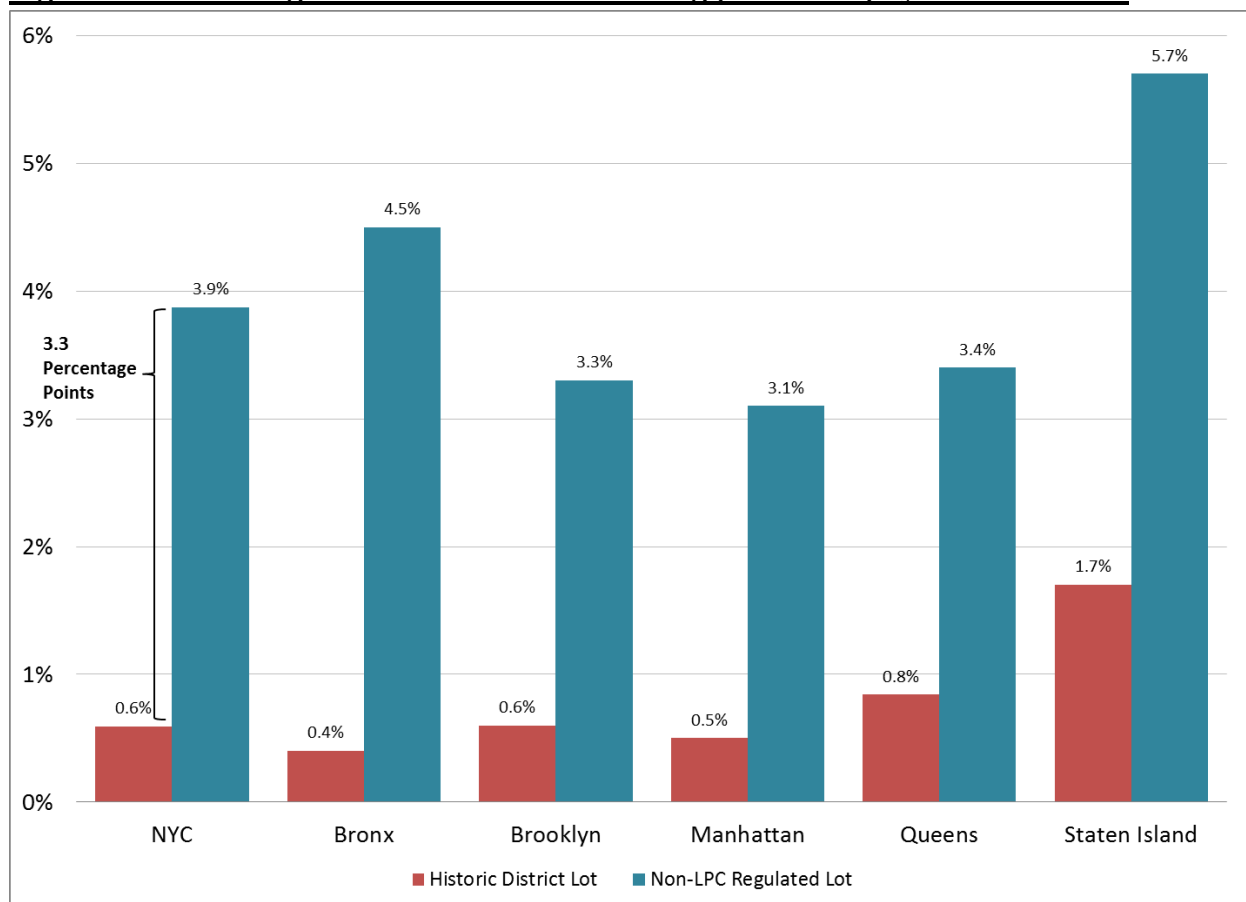
4.5: New Buildings

Although lots in historic districts are built to similar densities today, they are probably less likely to see increases in density in the future given that the goal of historic designation is to preserve existing buildings and therefore limit demolition and redevelopment in historic areas. In general, it appears that historic districts in New York City have been successful in this regard. Lots that were inside historic districts by the start of 2004 were considerably less likely to see new construction between 2004 and 2014 than other lots.³² Specifically, Figure 4.9 shows that citywide, only 0.6 percent of historic district lots had a new building constructed during this eleven-year period as compared to 3.8 percent of lots outside of

³² To identify new buildings, we use the yearbuilt information in PLUTO.

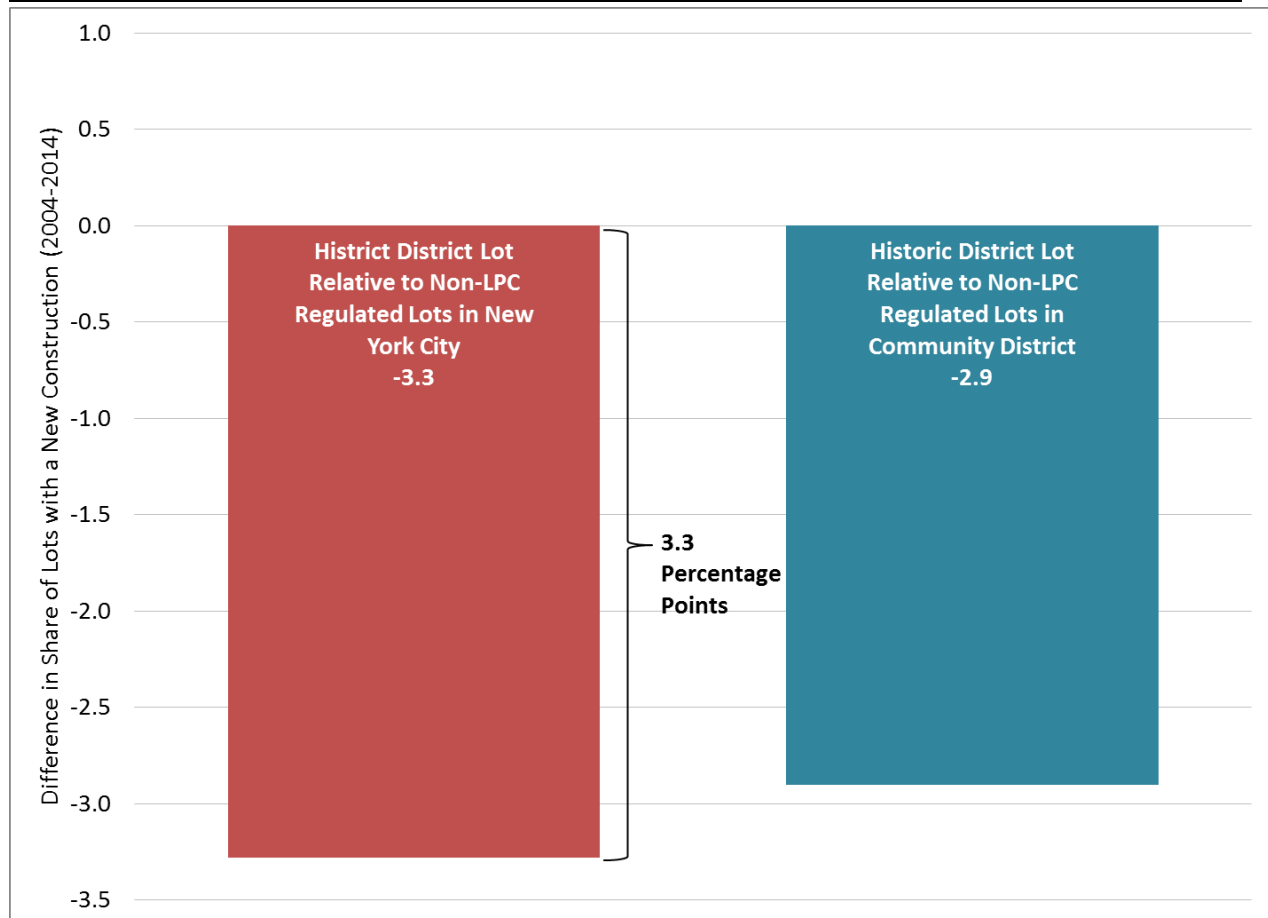
historic districts. These differences hold for all boroughs and also hold true when we control for variation between community districts. Specifically, our regression results (shown in Figure 4.10) indicate that lots inside of historic districts were 2.9 percentage points less likely to see new construction activity during this period as compared to non-LPC lots in the same community district. Given that 3.9 percent of lots citywide not regulated by the LPC saw new buildings during this period, this is a substantial difference. There are some outliers. While 52 districts had zero new buildings constructed between 2004 and 2014, 10 percent of the lots in the Tribeca North Historic District had a newly constructed building during the period.

Figure 4.9: Percentage of Lots with a New Building (2004-2014) by Historic Status



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
Lots designated as part of a historic district between 2004 and 2014 are excluded.

Figure 4.10: Difference in Share of Lots with New Construction (2004-2014) Inside and Outside of Historic Districts Remains Statistically Significant Within Community Districts

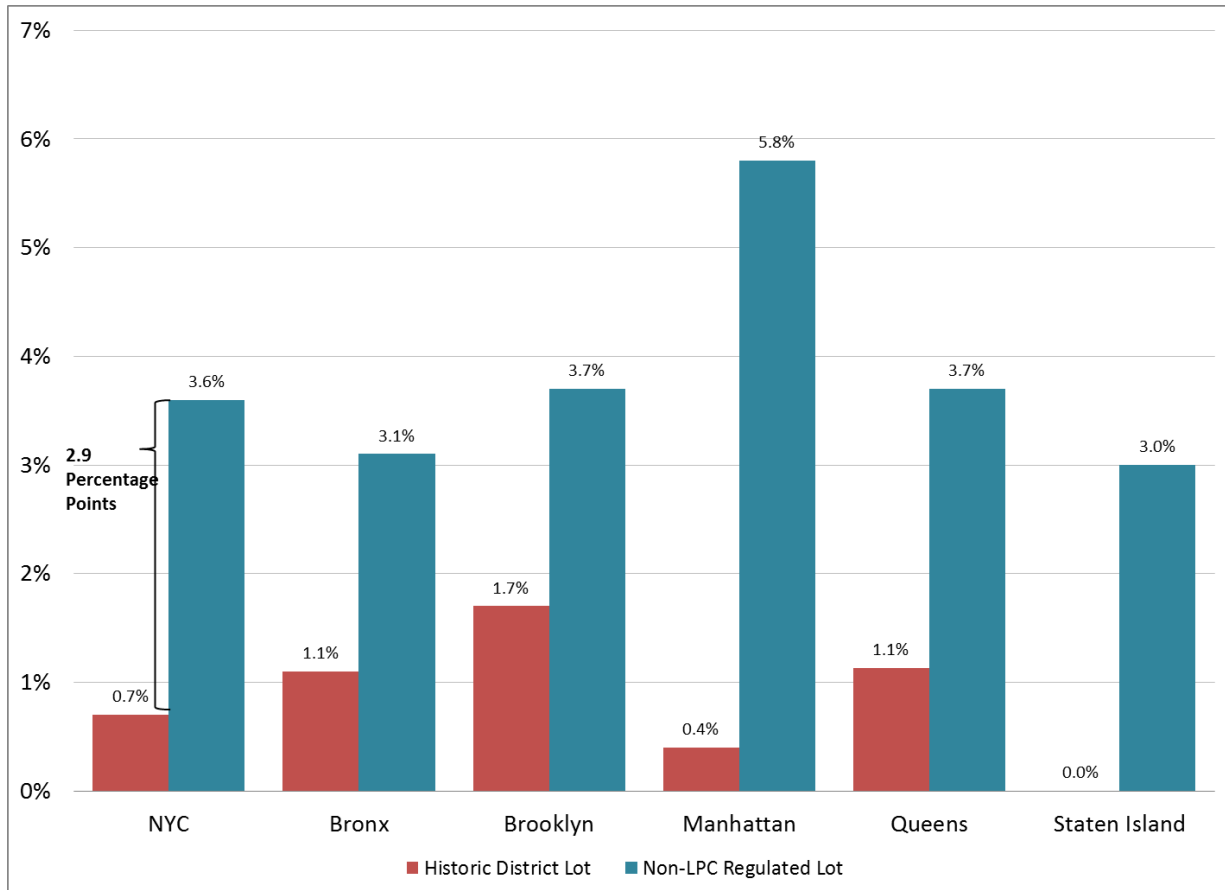


Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
 Lots designated as part of a historic district between 2004 and 2014 are excluded.

The lack of new construction may be due in part to the smaller share of residential soft sites within historic districts. But we also find that new buildings were less likely to be constructed between 2008 and 2014 on historic district lots that were residential soft sites in 2007 as compared to with residential soft sites not regulated by the LPC. In Figure 4.11, we show that while 0.7 percent of residential soft sites in historic districts were developed with new buildings between 2008 and 2014, 3.6 percent of residential soft sites were developed on non-LPC-regulated lots. We find this pattern holds in all five boroughs and actually widens when we control for variation between community districts. Our analysis in Figure 4.12 shows that lots inside of historic districts were 3.9 percentage points less likely to

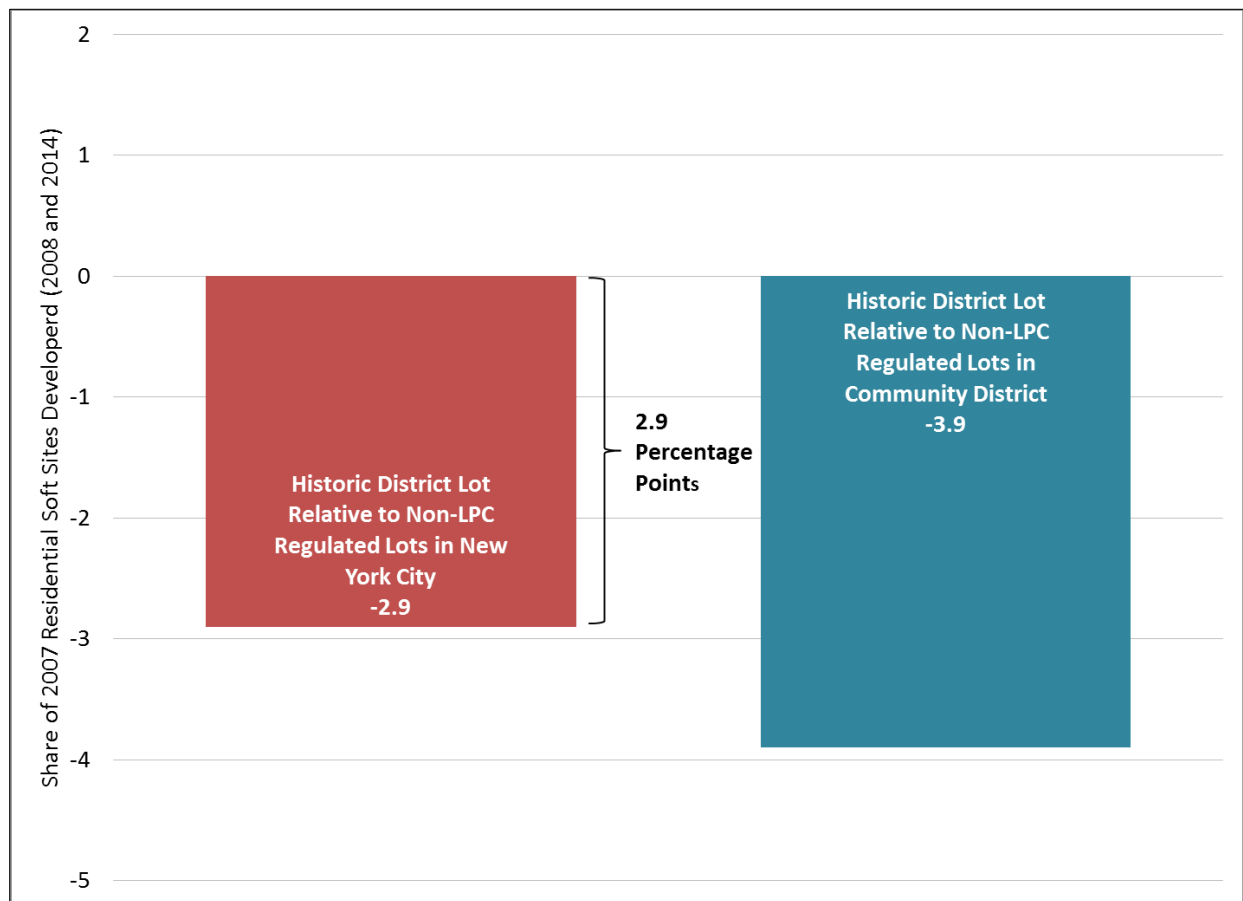
see new construction activity during this period on soft sites as compared to non-LPC-regulated lots in the same community district. Given the very small share of soft sites that were developed around the city, this is a large difference.

Figure 4.11: Percentage of 2007 Residential Soft Sites with a New Building (2008-2014) by Historic Status



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
Lots designated as part of a historic district between 2008 and 2014 are excluded.

Figure 4.12: Difference in Share of 2007 Soft Sites that Were Developed Between 2008-2014 Inside and Outside of Historic Districts Grows Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center
 Lots designated as part of a historic district between 2008 and 2014 are excluded.

4.6: Major Alterations

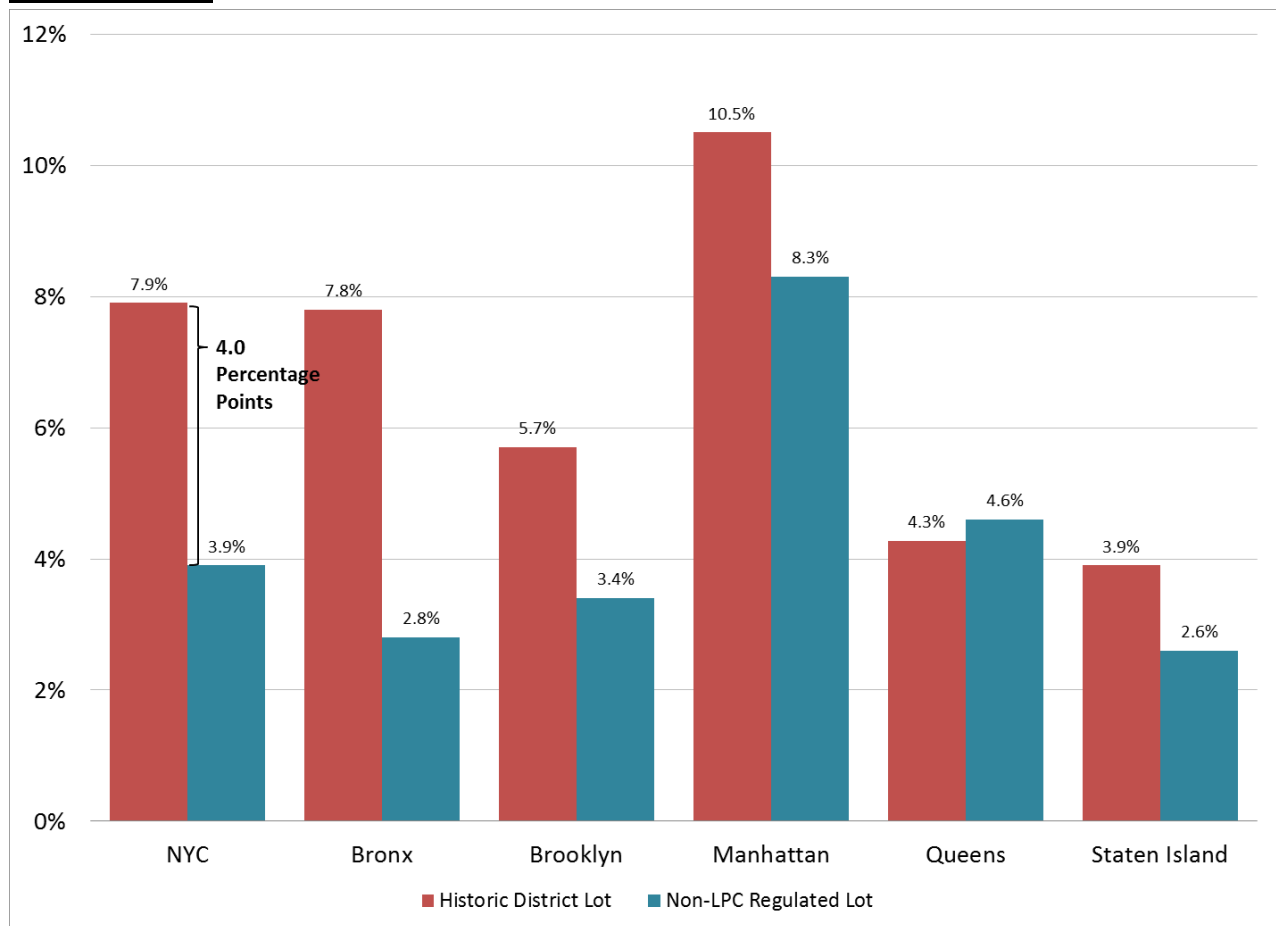
Finally, we consider whether the level of renovation or alteration activity differs inside and outside of historic districts. We identify Department of Building permits related to jobs classified as Alteration 1 (resulting in a change in the Certificate of Occupancy) issued between 2004 and 2014.³³

While looking citywide, we find that lots in historic districts were significantly more likely to have seen officially recorded alteration activity during this time period than non-LPC-regulated lots. As Figure 4.13 shows, 7.9 percent of lots in historic districts received an Alteration 1 permit as compared to only 3.9 percent of non-LPC-regulated lots. This difference held true across all five boroughs except for

³³ In this analysis, we exclude lots designated as part of historic districts between 2004 and 2014.

Queens. However, this difference appears to be driven by the fact that historic districts were located in areas of the city that tended to see more renovation activity. When we estimate a regression (Figure 4.14) that considers variation between community districts, we find that properties in historic districts were no more likely to receive an Alteration 1 permit between 2004 and 2014 than non-LPC-regulated properties in the same community district.

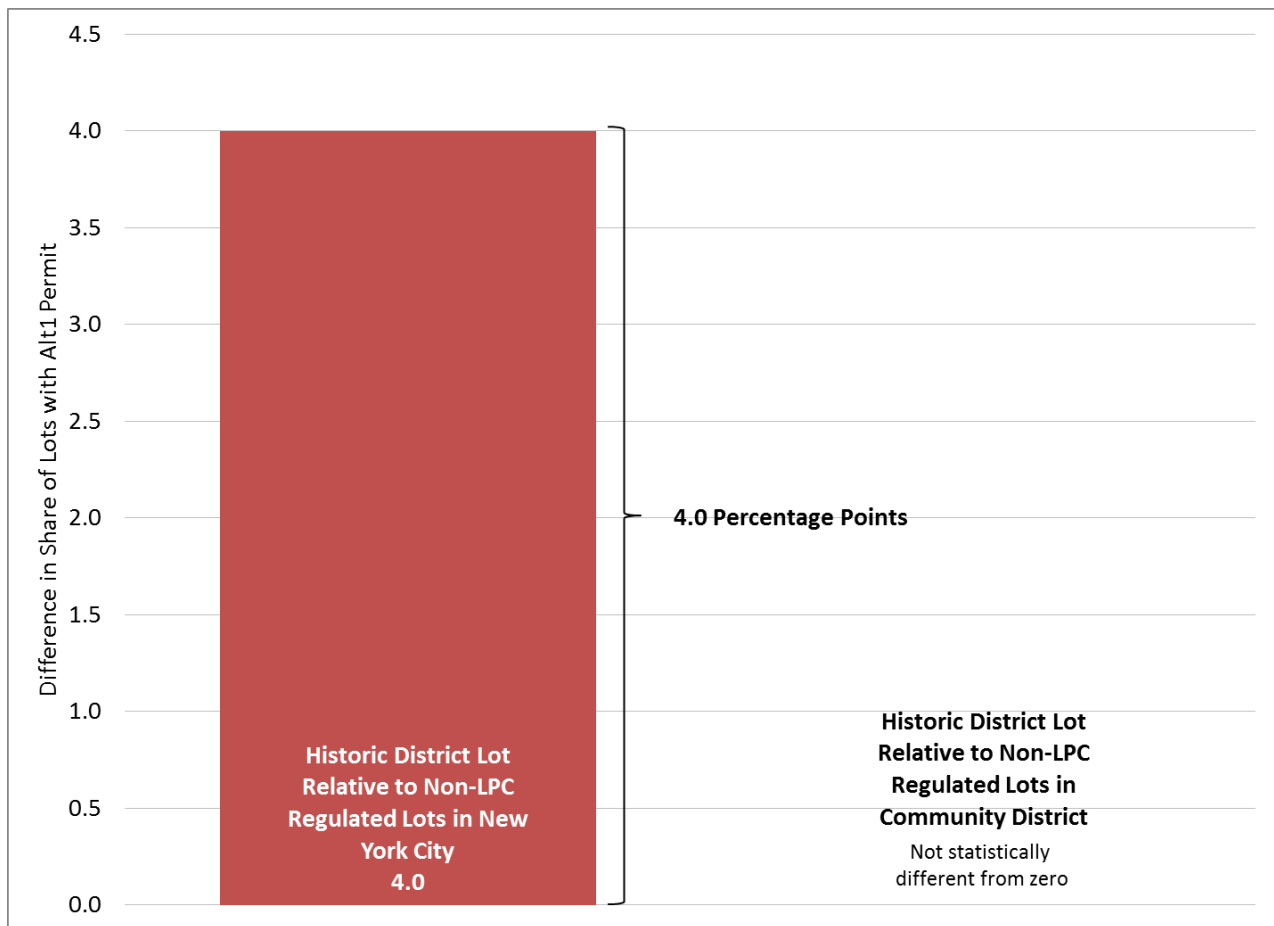
Figure 4.13: Percentage of Lots with at Least One Alteration 1 Permit (2004-2014) by Historic Status



Sources: New York City Department of Buildings, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Lots designated as part of a historic district between 2004 and 2014 are excluded.

Figure 4.14: Difference in Share of Lots Receiving Alt 1 Permit (2004-2014) Inside and Outside of Historic Districts Falls to Zero Within Community Districts



Sources: New York City Department of Buildings, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Lots designated as part of a historic district between 2004 and 2014 are excluded.

* * *

This section highlights differences in density levels and property investment for properties inside and outside of historic districts. Lots in historic districts tended to be zoned for somewhat less density than other lots nearby, but they were actually built to the same density levels as neighboring lots because they use up more of their development capacity. We find that not surprisingly lots in historic districts see much less new construction than nearby non-LPC-regulated lots but we see no difference in alteration activity between historic district lots and non-LPC-regulated lots nearby.

Section 5: Characteristics of the Residents in Historic Districts

In this section, we compare the population living in historic districts to the population living outside of them. We look at differences within each borough (e.g., we compare the characteristics of residents in historic districts in Manhattan to those of other residents in Manhattan), as simple citywide differences might reflect differences in the distribution of historic districts across boroughs. In addition, as in other sections, we test whether the differences we find hold within community districts. Specifically, we test whether the characteristics of the population living in a historic district differ, on average, from those of the rest of the population in the same community district, by estimating a simple series of regressions. Our regressions models are described in Appendix C.

In contrast to our analysis of land use which can be done at the tax lot level, we have to rely on approximations when describing the population living in districts. The reason is that the smallest administrative unit available to study population characteristics is the census tract, and the boundaries of census tracts and those of historic districts do not coincide. While some tracts were fully inside (or outside) of a historic district, some were partially covered by a historic district. In these cases, it is impossible to distinguish which residents of a census tract live inside a historic districts and which live outside.

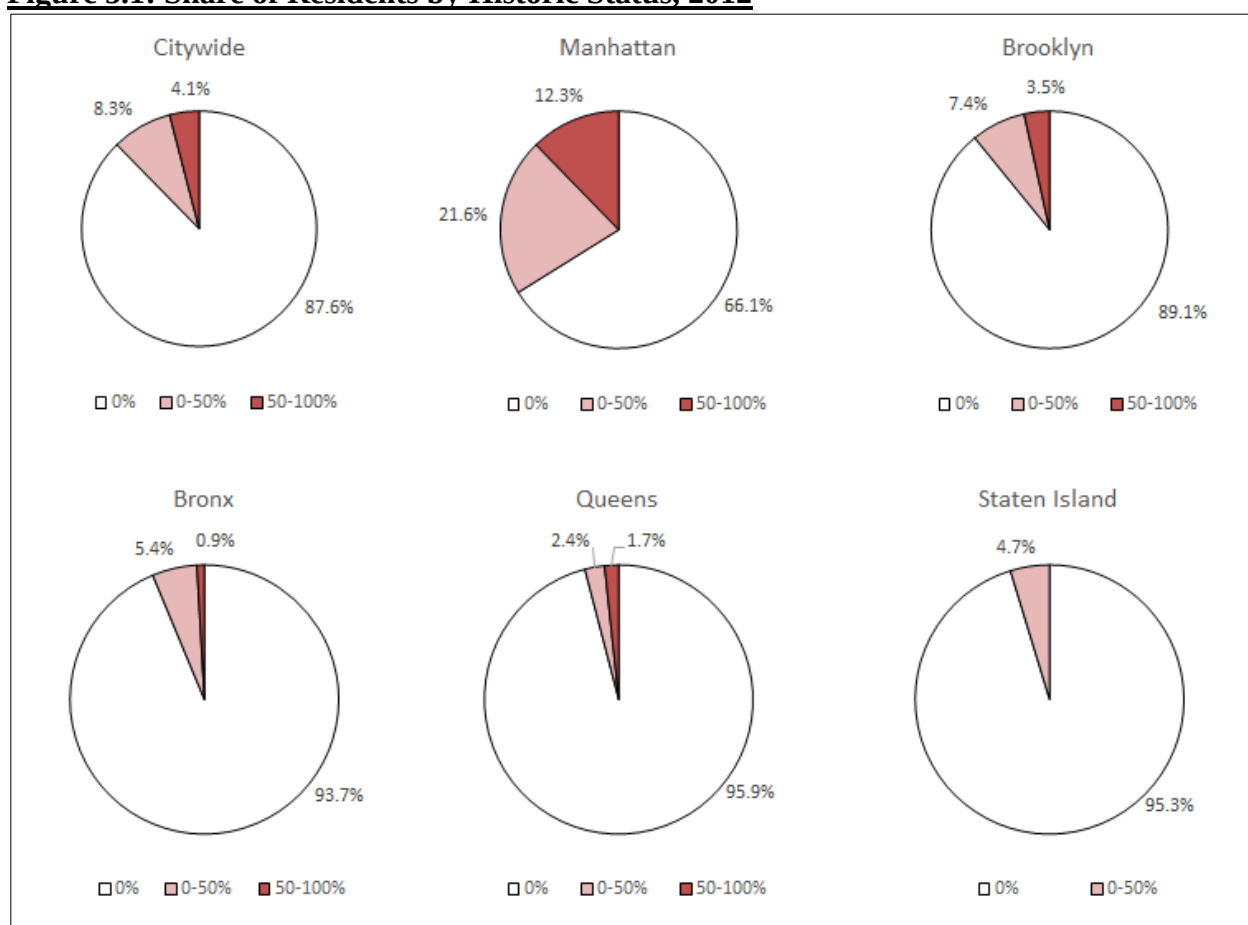
To address this challenge, we divide census tracts into three categories: tracts with no residential units in a historic district (1,948 tracts); tracts with *at least* one residential unit but no more than half of residential units inside a historic district (147 tracts); and tracts with a majority of residential units inside a historic district (68 tracts). We refer to these latter tracts as being partially inside and mostly inside of historic district boundaries. We then describe the population living in each of these three sets of areas.

5.1: Population Distribution

In Figure 5.1, we show the distribution of the population across these three categories of census tracts citywide and in four of the city's five boroughs. Citywide, 12 percent of residents lived in neighborhoods that had at least one property inside of a historic district, and 5 percent lived in census tracts that had the majority of lots inside of historic districts. While a small minority of city residents

lived in historic districts, we see considerable variation across boroughs. In Manhattan, over a third of residents lived in census tracts that had at least one lot inside a historic district. A much smaller share of residents in the other four boroughs lived in tracts mostly or partially included in historic districts. In Brooklyn, about 11 percent of residents lived in a census tract with at least one lot inside a historic district. In the Bronx and Queens, only six and four percent of the population lived in tracts with at least one lot in a historic district, respectively.

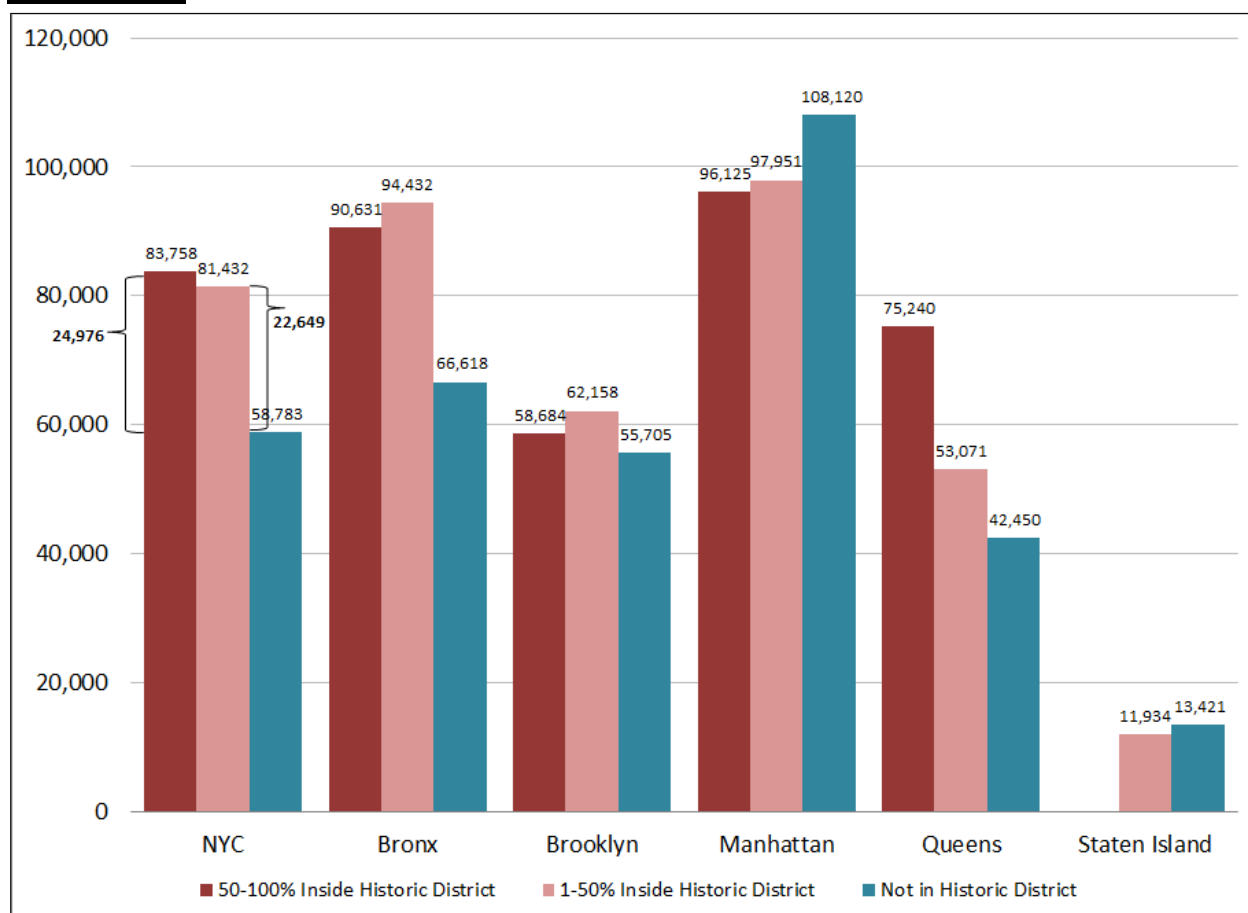
Figure 5.1: Share of Residents by Historic Status, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

As for population density, tracts partially or mostly included in a historic district generally had higher population densities than other tracts. As shown in Figure 5.2, this is particularly true in the Bronx and Queens, where density levels were substantially higher within tracts partially or fully included in a historic district than within other tracts, but the pattern holds across all boroughs but Manhattan and Staten Island.

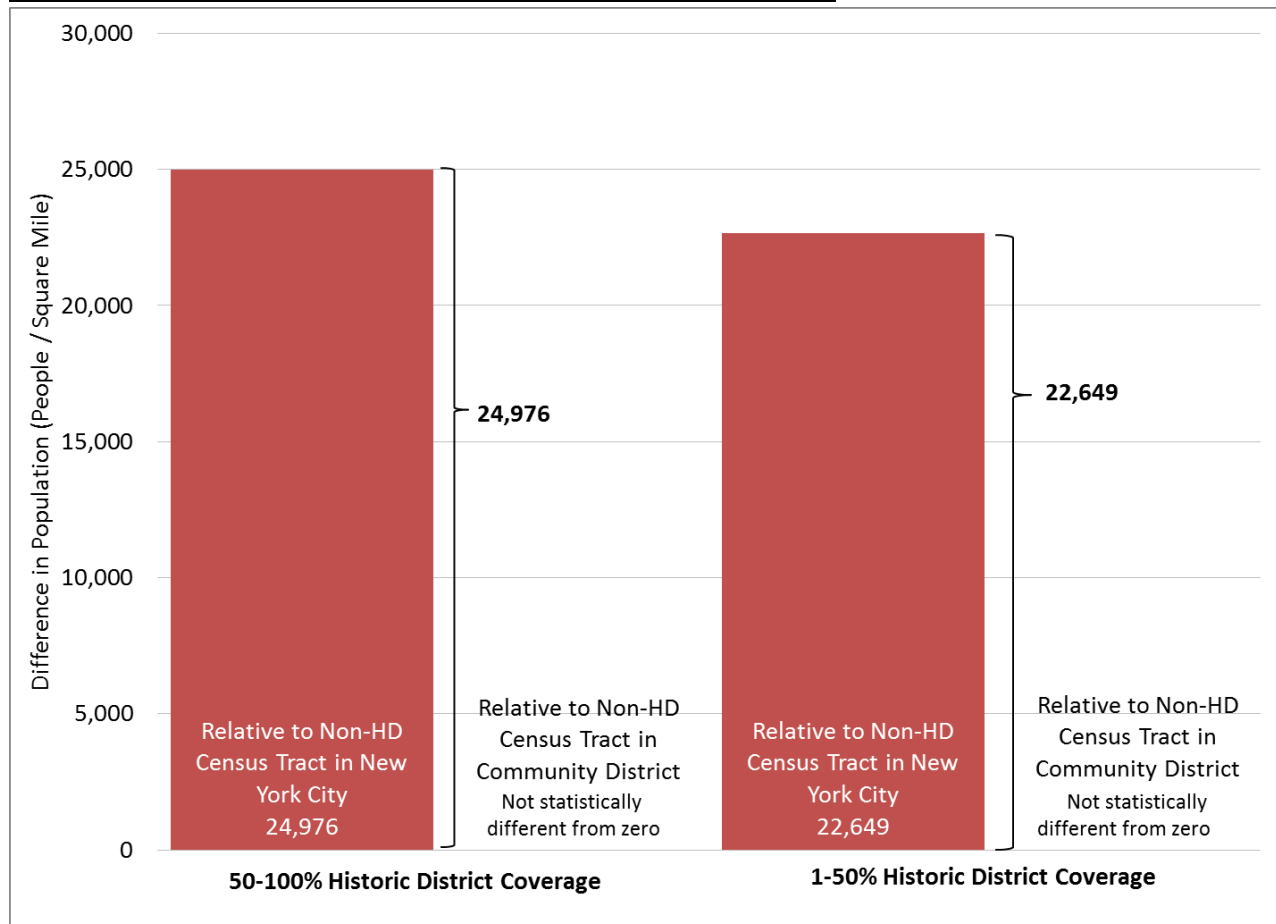
Figure 5.2: Population Density in Neighborhoods by Historic District Coverage, 2012 (Per Square Mile)



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Some of these differences can be explained by the concentration of historic districts in higher density parts of the city. As seen in Figure 5.3, census tracts covered by historic districts do not have, on average, higher population density than non-historic district tracts in the same community district.

Figure 5.3: 2012 Difference in Population Density Inside and Outside of Historic Districts Falls to Zero Within Community Districts (Per Square Mile)

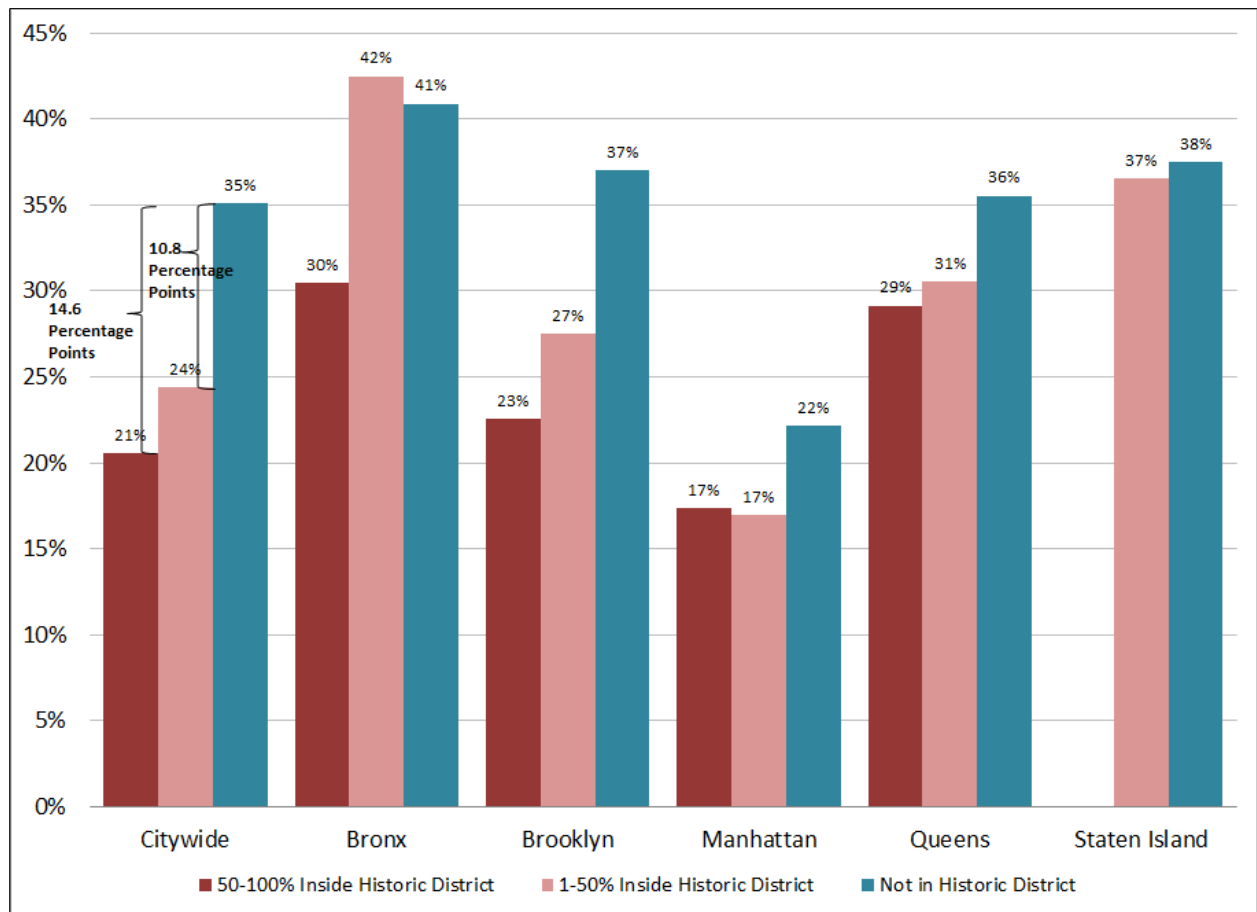


Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

5.3: Age and Household Composition

Figure 5.4 describes the characteristics of the population living in our three types of census tracts. The first few rows show household composition. Historic districts tend to house a smaller proportion of households with children living in the home. This pattern holds across Manhattan, Brooklyn and Queens, although the share of all households with children in the latter two boroughs was substantially larger in these boroughs compared to Manhattan.

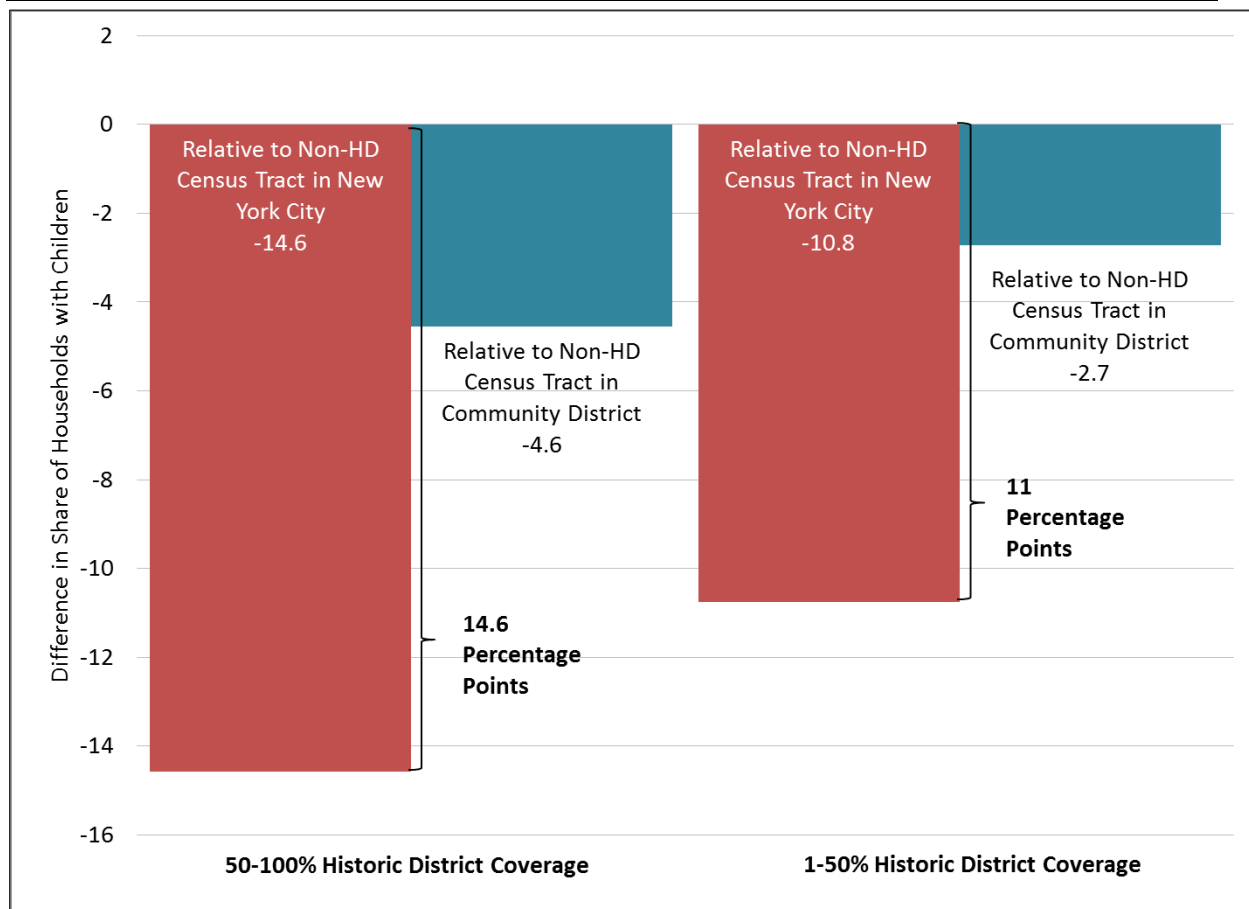
Figure 5.4: Average Percentage of Households with Children in Neighborhoods by Historic District Coverage, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Our regression analyses show in Figure 5.5 that these differences generally hold within community districts as well. The households living in census tracts that were partially or mostly inside of historic districts were less likely to have children than comparable households living in other tracts but still in the same community districts.

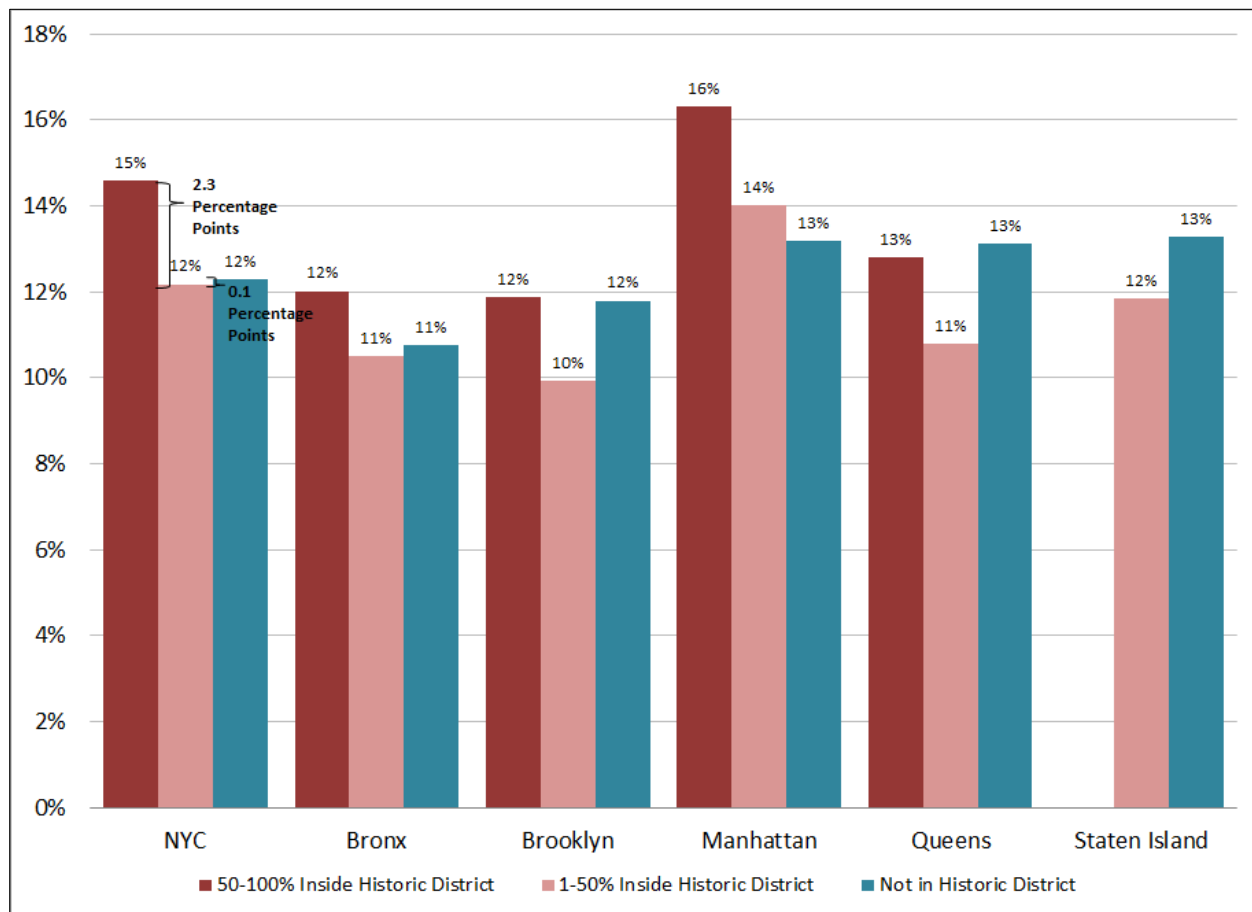
Figure 5.5: 2012 Difference in Share of Households with Children Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

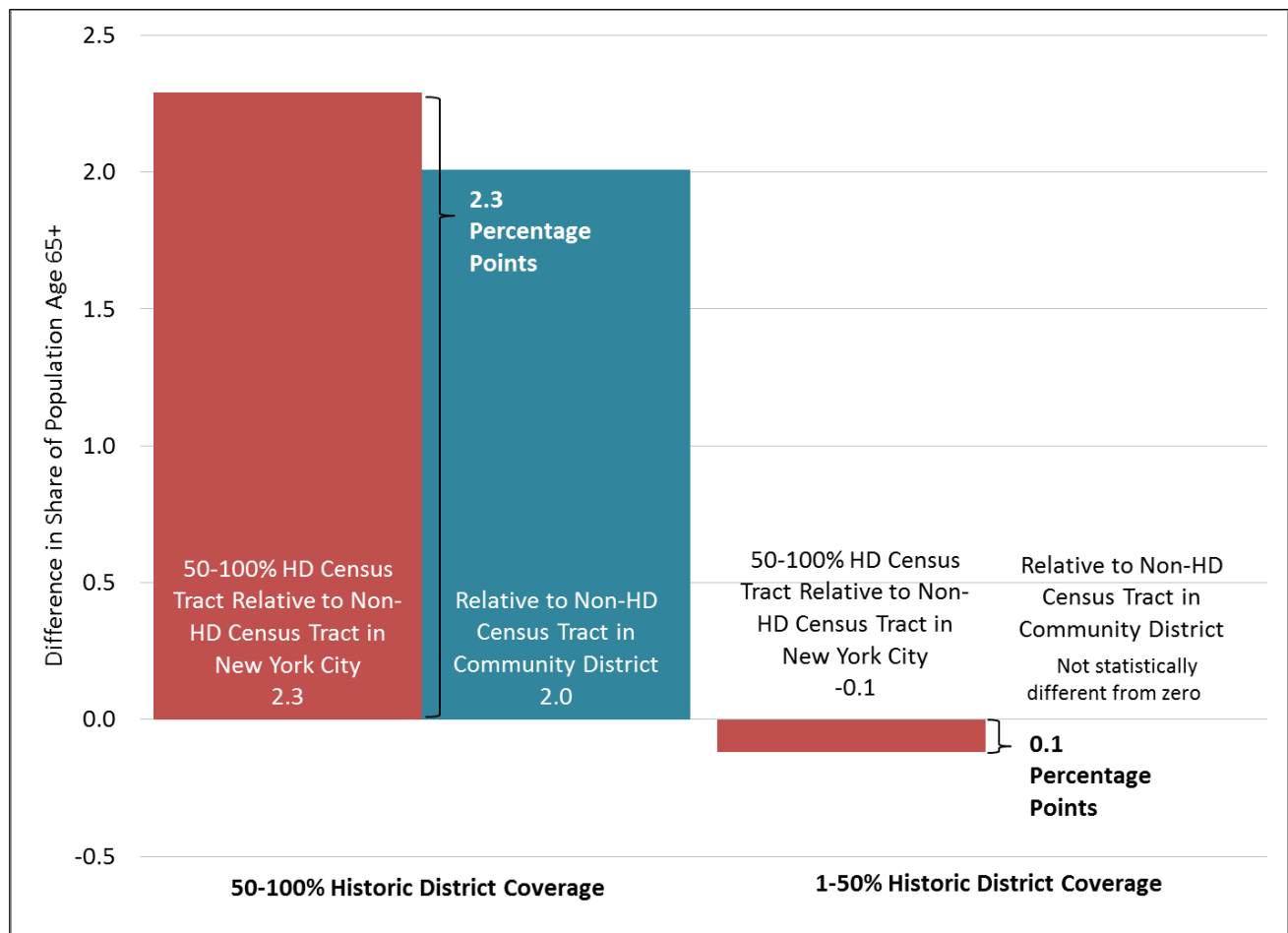
The pattern is less clear when we consider the proportion of residents aged 65 or older. Citywide, the share over 65 is somewhat higher within neighborhoods mostly covered by historic districts. As seen in Figure 5.6, this difference is driven by Manhattan, where 16 percent of the residents who lived in neighborhoods that were mostly included in historic districts were 65 years old or older, as compared to 13 percent or those in tracts outside of historic districts. But we see minimal difference in the elderly share inside and outside of historic districts in other boroughs, and these small differences disappear for census tracts partially within historic districts when we look within community districts as shown in Figure 5.7. The differences fall but remain significant for census tracts mostly within historic districts.

Figure 5.6: Average Percent of Residents at 65+ in Neighborhoods by Historic District Coverage, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 5.7: 2012 Difference in Share of Population Age 65+ Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts For Census Tracts Mostly Covered by Historic Districts



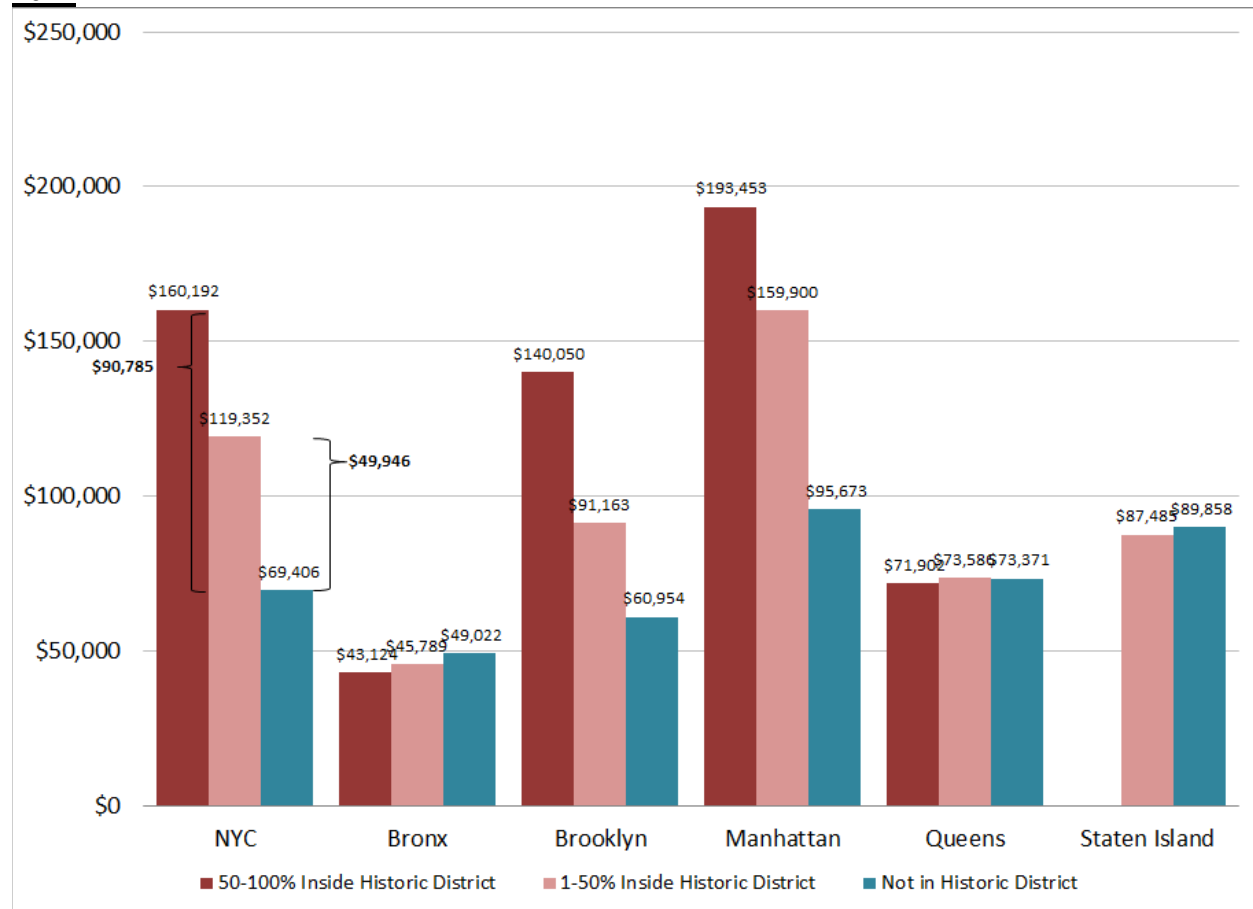
Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

5.4: Socioeconomic Status

Our analysis reveals a significant contrast in the socioeconomic status of households living inside and outside historic districts, with neighborhoods mostly inside historic district boundaries tending to house residents with significantly higher incomes and educational attainment. In Figure 5.8, we see that these differences were particularly large in Manhattan and Brooklyn, but they generally hold within other boroughs as well. In Manhattan, the mean income for households living in neighborhoods mostly inside of a historic district was \$193,453 - more than double the mean income of \$95,673 for households living

in tracts fully outside of the historic district. In Brooklyn, the mean income in neighborhoods mostly inside of a historic district was \$140,050 compared to \$60,954 for tracts outside of districts. In Queens, however, we saw very little difference between the census tracts mostly inside and outside of historic districts.

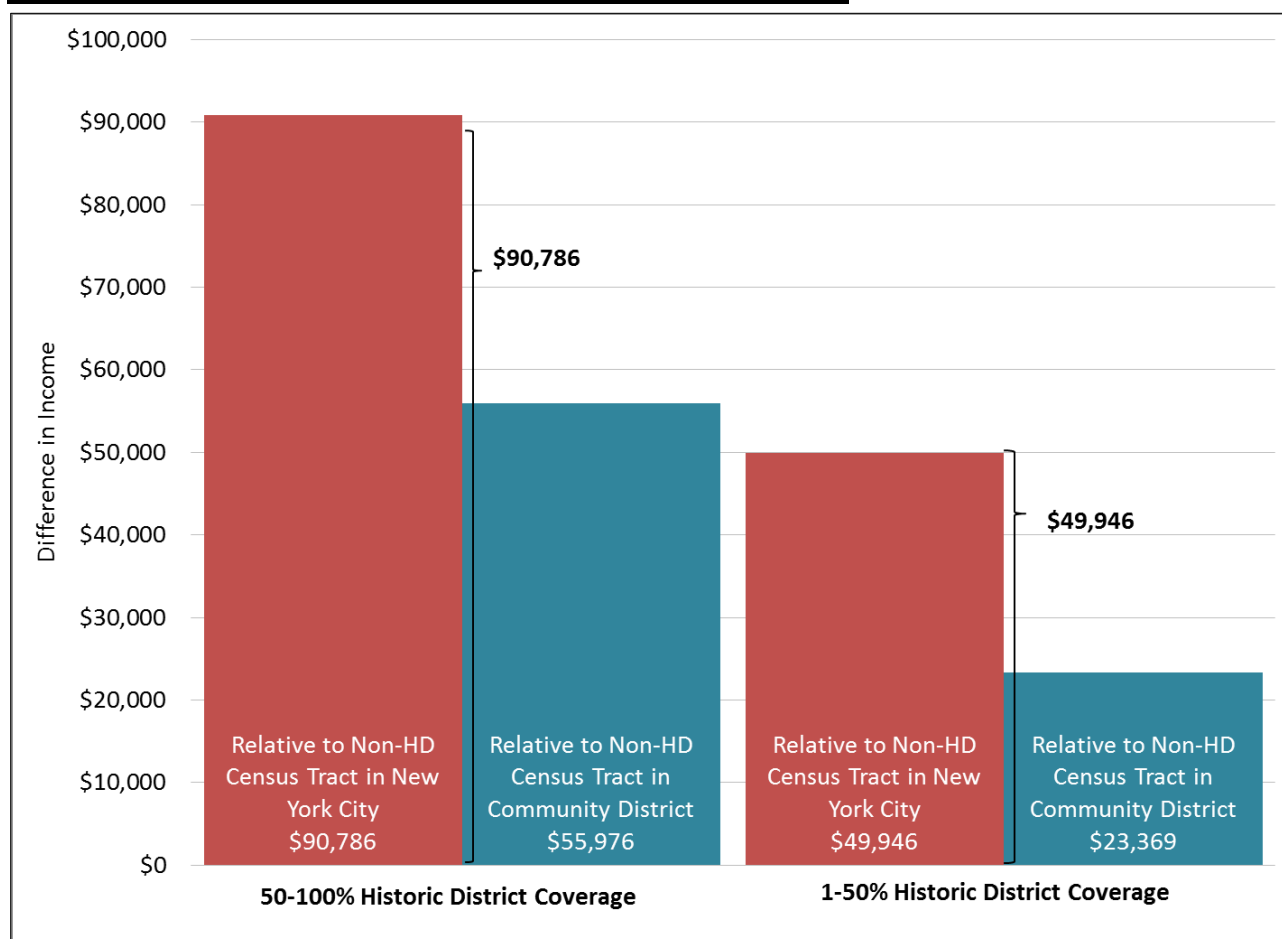
Figure 5.8: Average Household Income for Census Tracts by Historic District Coverage, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 5.9 shows that these differences are not just explained by the concentration of historic districts in Manhattan. Historic district census tracts, on average, have residents with higher income than other census tracts within the same community district.

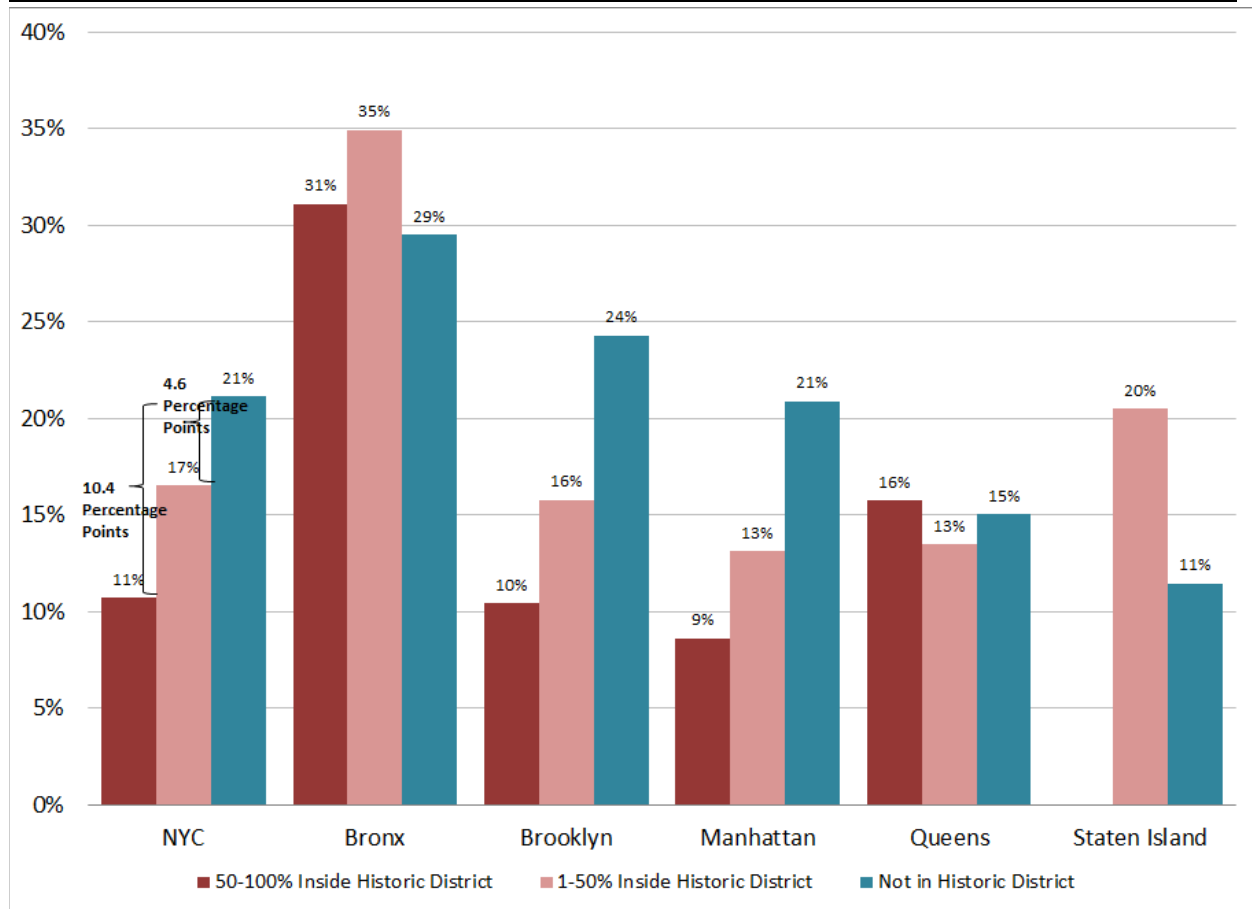
Figure 5.9: 2012 Difference in Income Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

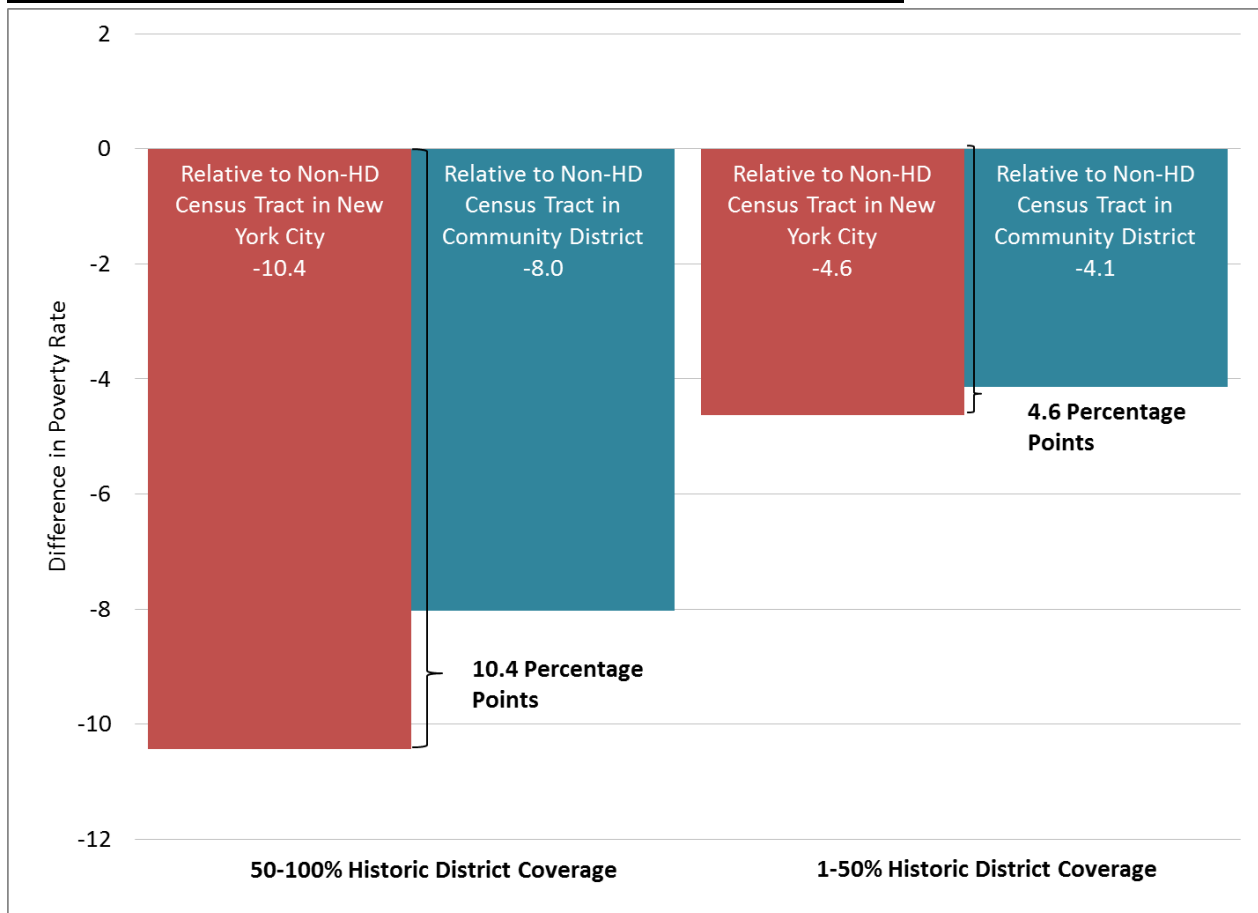
Overall, we saw sharp differences in poverty rate within and outside of historic districts as well. The citywide and borough differences are shown in Figure 5.10. In Manhattan, only nine percent of people lived below the poverty line in neighborhoods with majority of lots in historic districts as compared to 21 percent in census tracts fully outside of historic districts. In Brooklyn, the poverty rate in tracts with a majority of lots in a historic district was about 10 percent as compared to 24 percent in tracts fully outside of districts. In Queens and the Bronx, we saw much smaller differences. In Figure 5.11, we show that these differences are also reflected within community districts when comparing historic district census tracts and non-historic district census tracts.

Figure 5.10: Average Poverty Rate for Neighborhoods by Historic District Coverage, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

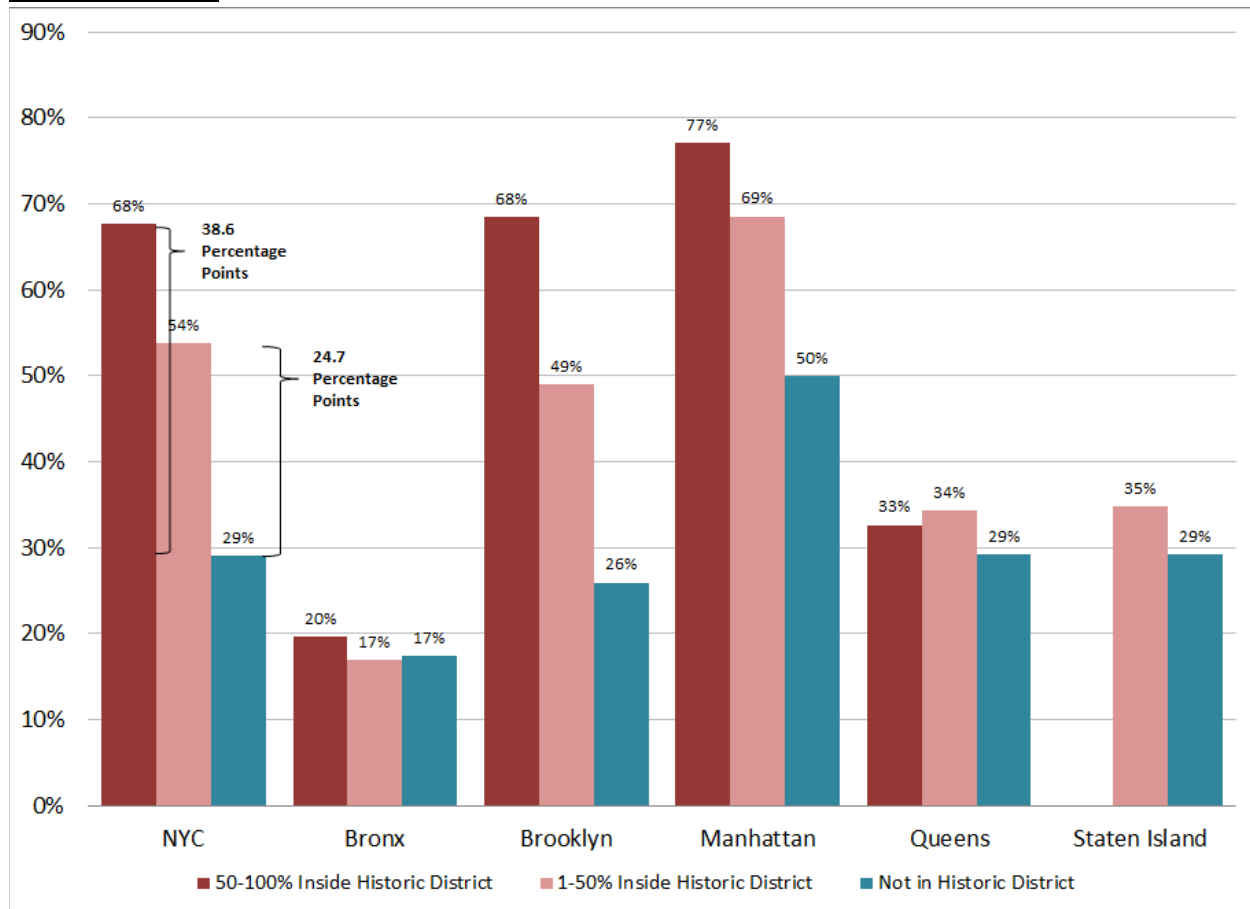
Figure 5.11: 2012 Difference in Poverty Rate Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

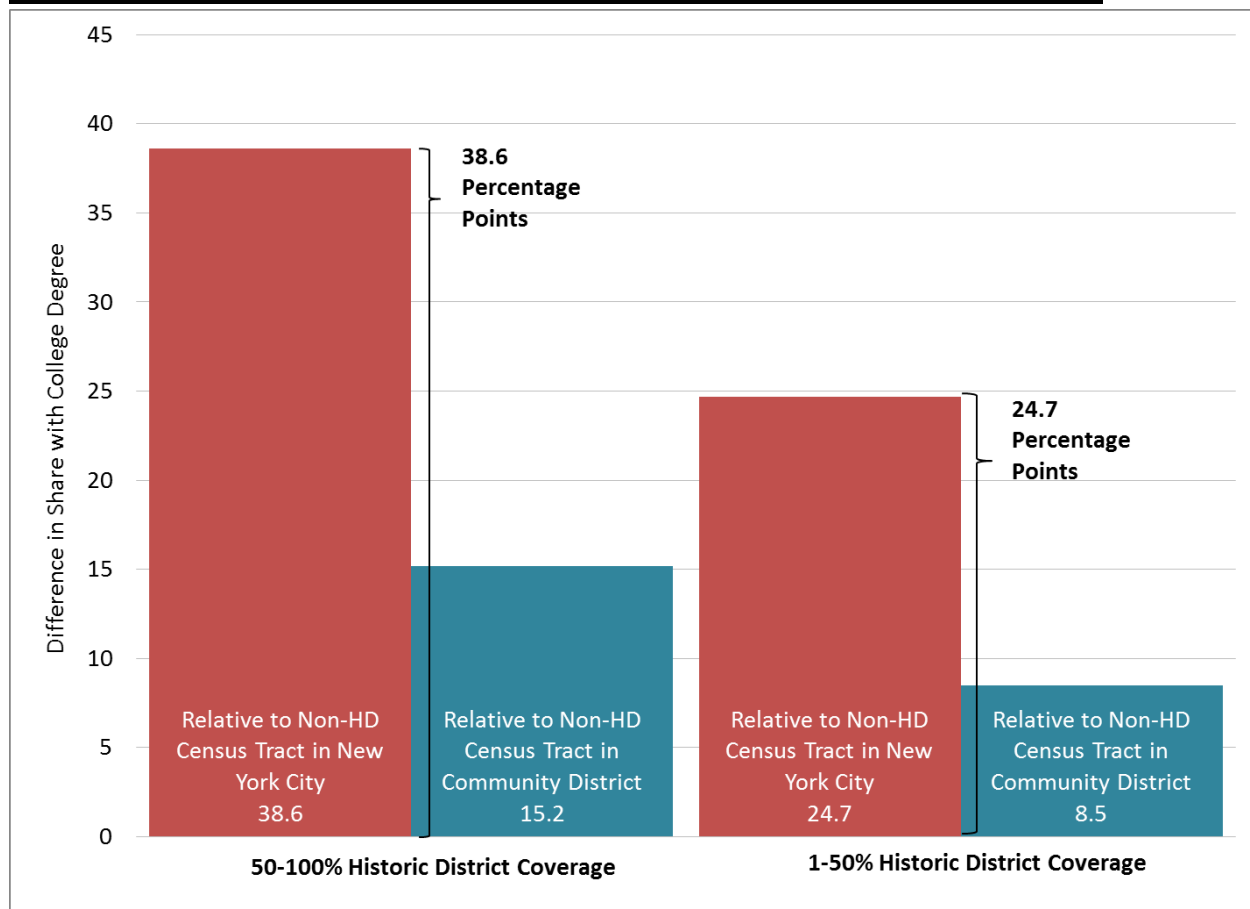
Across boroughs, tracts with a majority of properties in historic districts had a larger share of residents with college degrees. In Manhattan, among residents aged 25 and older, 77 percent of residents age 25 and older in tracts mostly included in historic districts had a college degree as compared to 50 percent of those in tracts outside of historic districts. In Brooklyn, the differences were even sharper, with 68 percent of residents in tracts mostly included in historic districts holding college degrees as compared to just 26 percent of residents in tracts outside of districts. The differences were smaller but still notable in Queens and Staten Island. As Figure 5.13 shows, the differences are also present when comparing historic district census tracts to non-historic district census tracts within the same community district.

Figure 5.12: Average Percent of Residents with a College Degree by Historic District Coverage, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

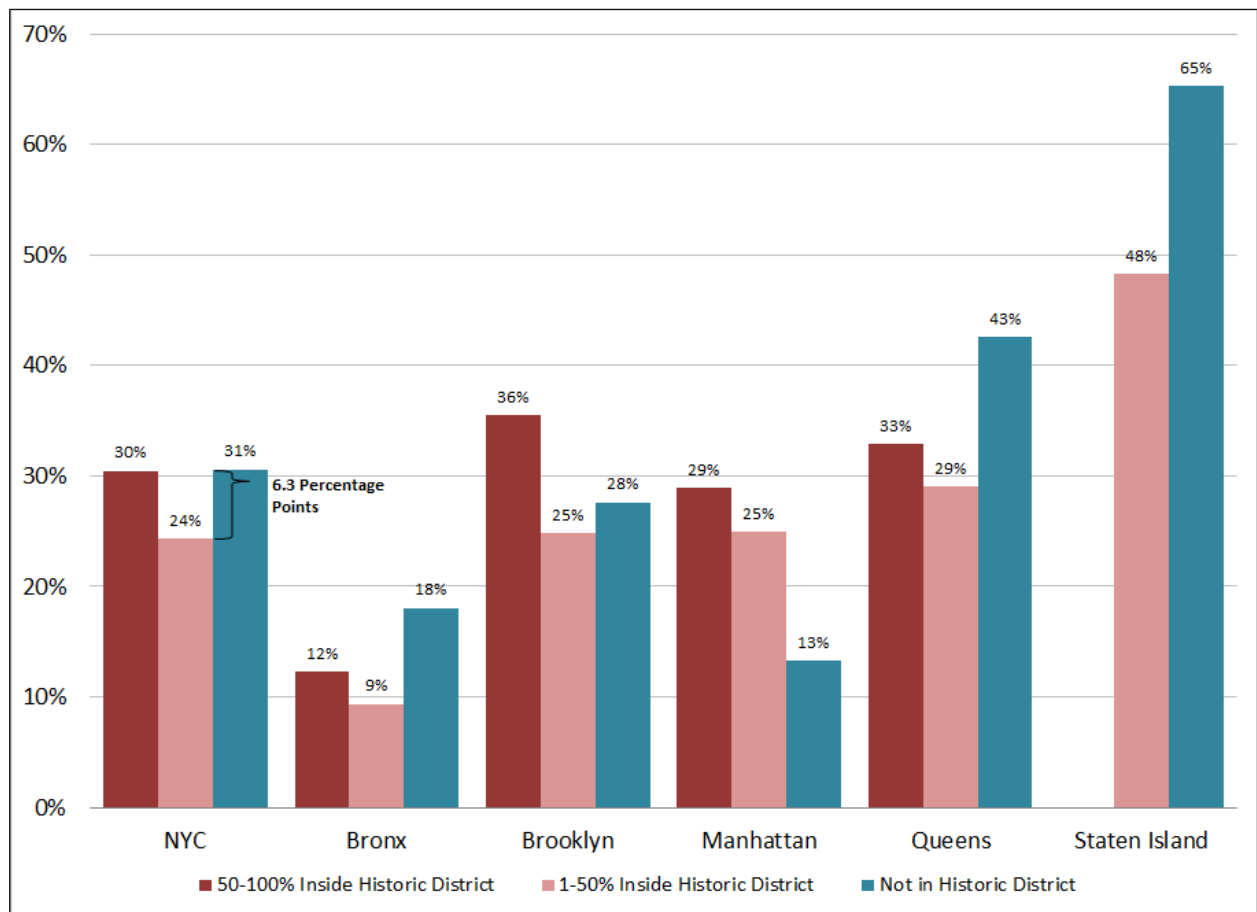
Figure 5.13: 2012 Difference in Share College-Educated Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

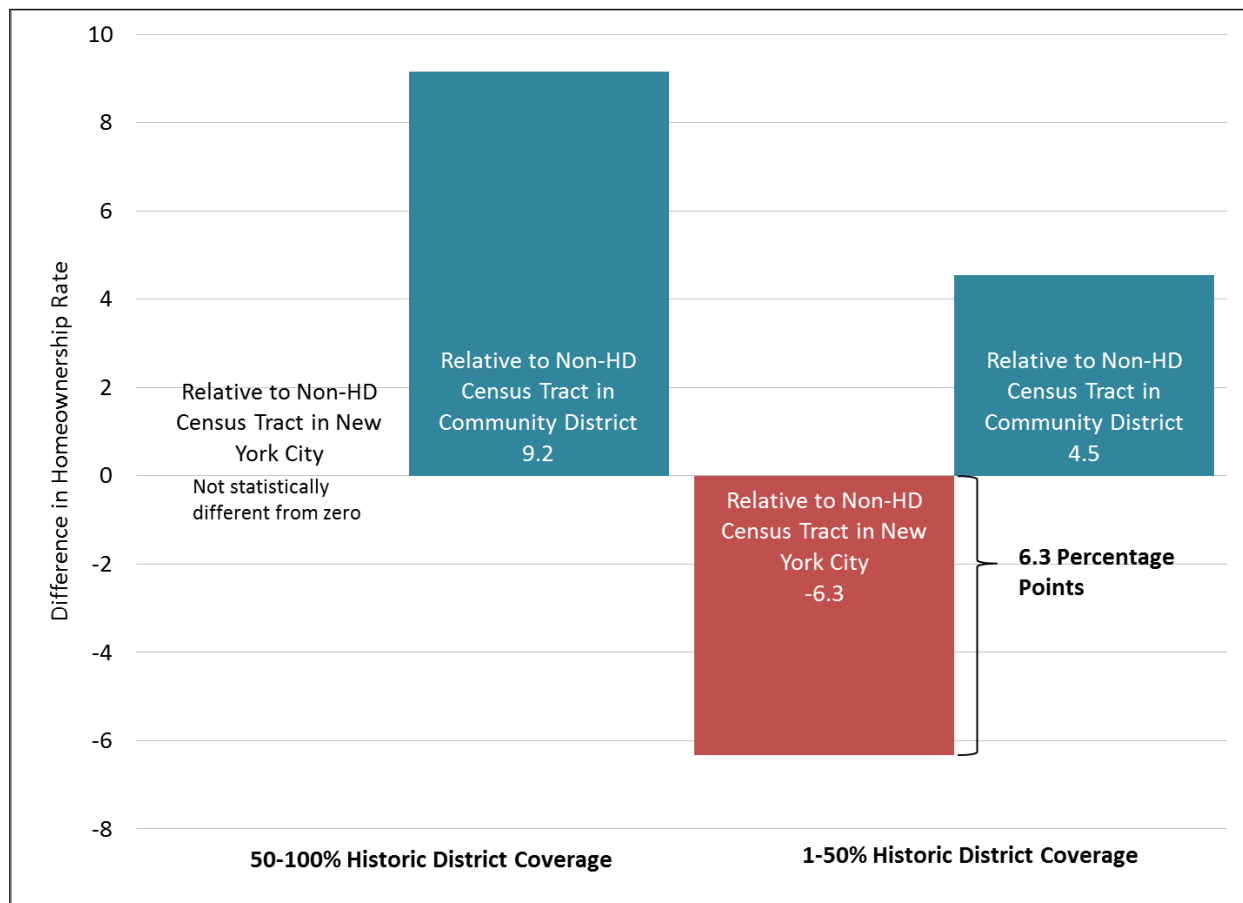
Finally, while we saw minimal differences in the homeownership rate between census tracts fully included in historic districts and non-historic district census tracts, census tracts partially covered by a historic district had lower homeownership rates than non-historic district census tracts. As seen in Figure 5.14, the homeownership rate in Manhattan was higher in tracts fully or partially included in historic districts than in other tracts. This difference was reversed in Queens and the Bronx, where the neighborhoods outside of historic districts tend to be comprised of single-family homes. When comparing historic district census tracts to non-historic district census tracts within the same community district, we find that, on average across the city, the historic district census tracts have a higher homeownership rate.

Figure 5.14: Average Homeownership Rate in Neighborhoods by Historic District Coverage, 2012



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 5.15: 2012 Historic District Census Tracts Have Higher Homeownership Rates than Other Tracts Within the Same Community District



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

5.5: Racial Composition

As for racial composition, neighborhoods covered mostly by historic districts had larger non-Hispanic white population shares than other neighborhoods. Figure 5.16 shows that the differences were particularly notable in Manhattan where in tracts mostly included in historic districts, 73 percent of the residents were non-Hispanic white and only 7 percent of residents were African-American. By contrast, in tracts fully outside of historic districts, only 39 percent of residents were non-Hispanic white and nearly 14 percent were African-American.

Figure 5.16: Racial Composition by Historic District Coverage, 2012

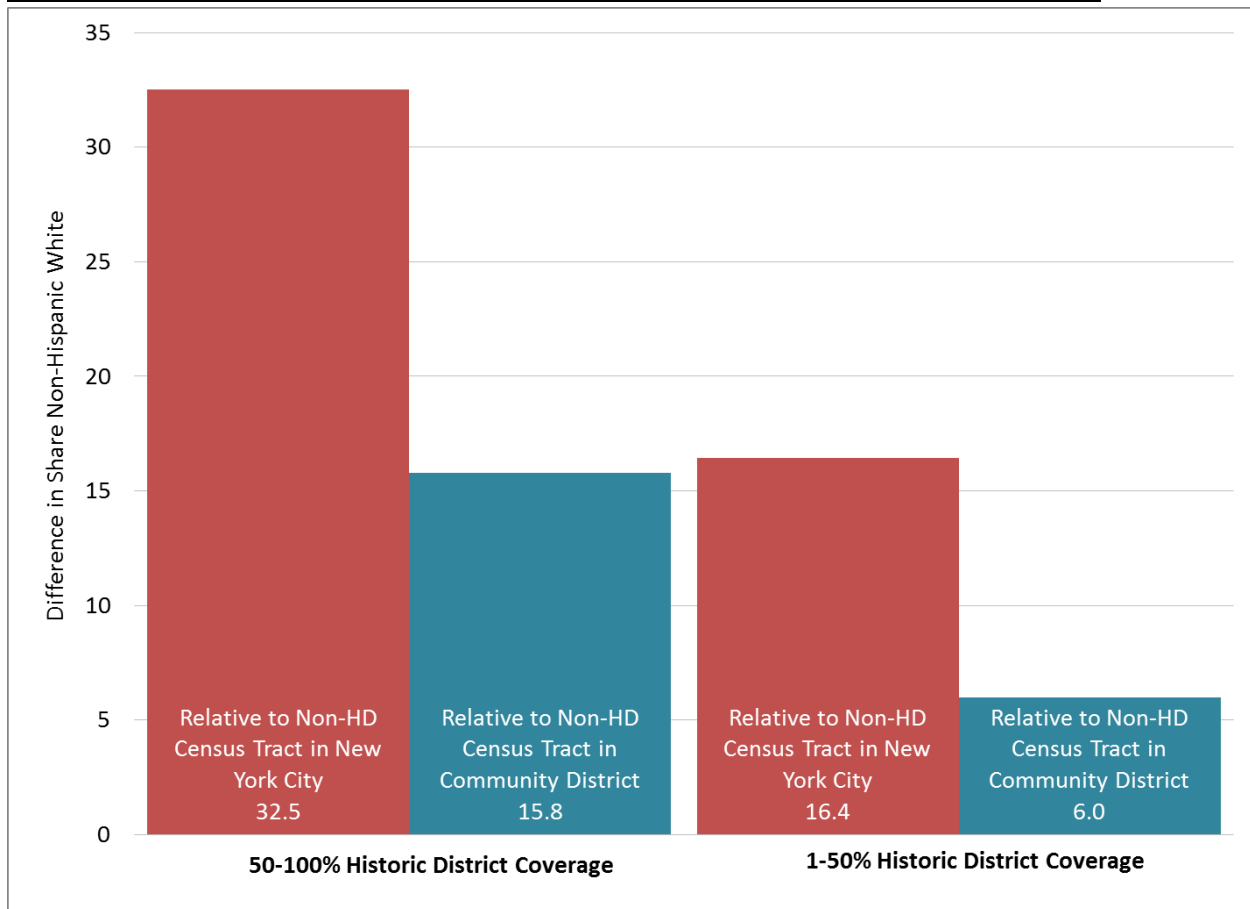
	Citywide			Manhattan			Brooklyn		
	0%	0-50%	50-100%	0%	0-50%	50-100%	0%	0-50%	50-100%
% Non-Hispanic White	30%	47%	63%	39%	61%	73%	35%	39%	61%
% African-American	23%	20%	11%	14%	11%	7%	32%	37%	21%
% Hispanic	30%	22%	16%	32%	15%	10%	21%	14%	8%
% Foreign-born	38%	28%	24%	32%	23%	21%	39%	30%	19%
	Bronx			Queens			Staten Island		
	0%	0-50%	50-100%	0%	0-50%	50-100%	0%	0-50%	
% Non-Hispanic White	10.86%	9.95%	2.53%	26.70%	35.01%	36.67%	64.76%	42.69%	
% African-American	30.33%	24.99%	27.95%	18.03%	10.43%	1.22%	9.10%	21.64%	
% Hispanic	53.39%	61.79%	62.57%	27.15%	33.32%	48.92%	17.12%	24.01%	
% Foreign-born	33.64%	33.90%	36.60%	47.80%	46.33%	49.99%	20.90%	26.99%	

Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

These patterns hold in the boroughs outside Manhattan, although the differences were smaller. (Indeed, in Queens and the Bronx, the tracts included in historic districts had a larger Latino share than tracts outside of districts.) These differences in racial composition of historic district tracts compared to other tracts existed even within the same community district (Figures 5.17-5.18) with one exception. On average, we find that historic district census tracts and non-historic district census tracts have an equal share of residents who are black. This finding is shown in Figure 5.19.

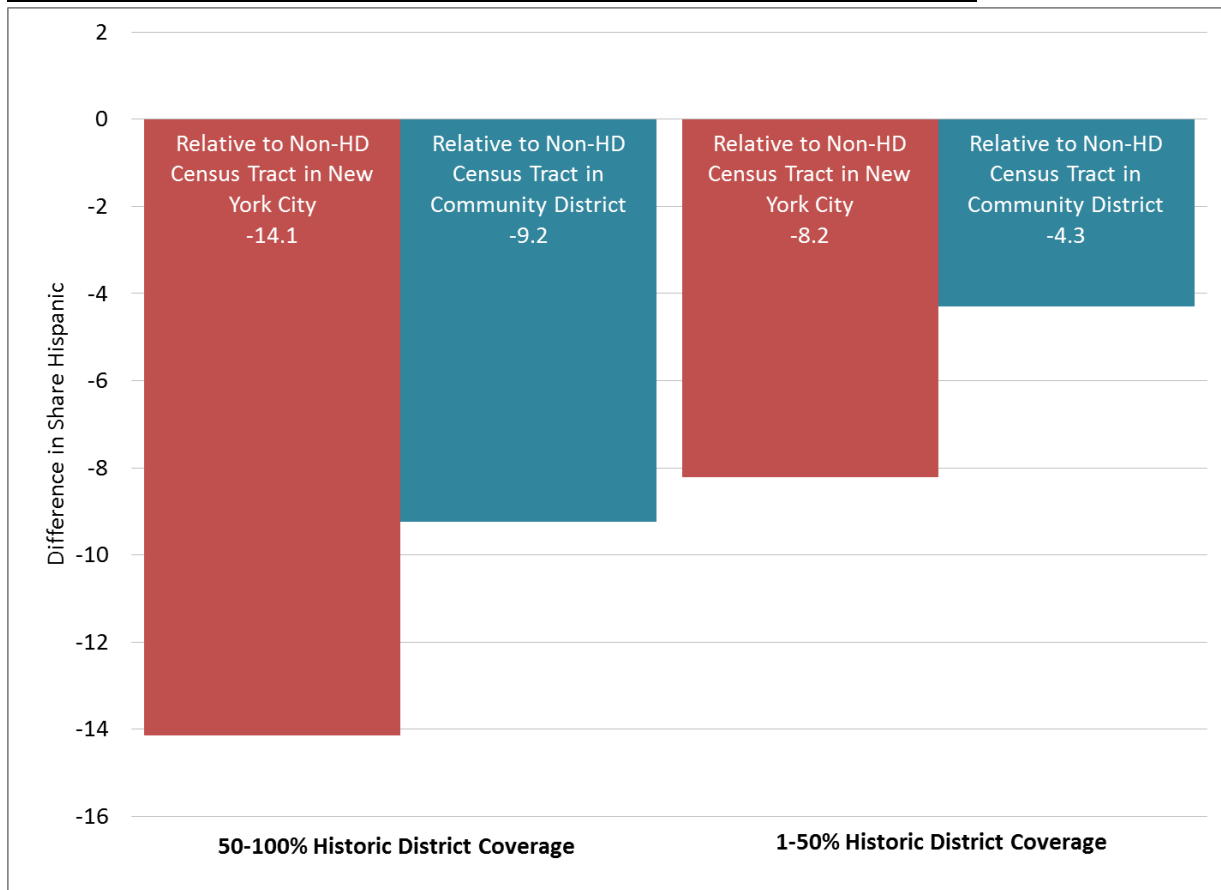
The differences in percentage foreign-born inside and outside of historic districts were much larger in Manhattan and Brooklyn than they were in the Bronx and Queens. In Manhattan and Brooklyn, the share of residents who were born outside of the United States was considerably smaller inside historic district tracts than outside. But we saw minimal difference in proportions in Queens and the Bronx. In Figure 5.20, we show that the difference in the share of population foreign born exists within community districts.

Figure 5.17: 2012 Difference in Share Non-Hispanic White Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



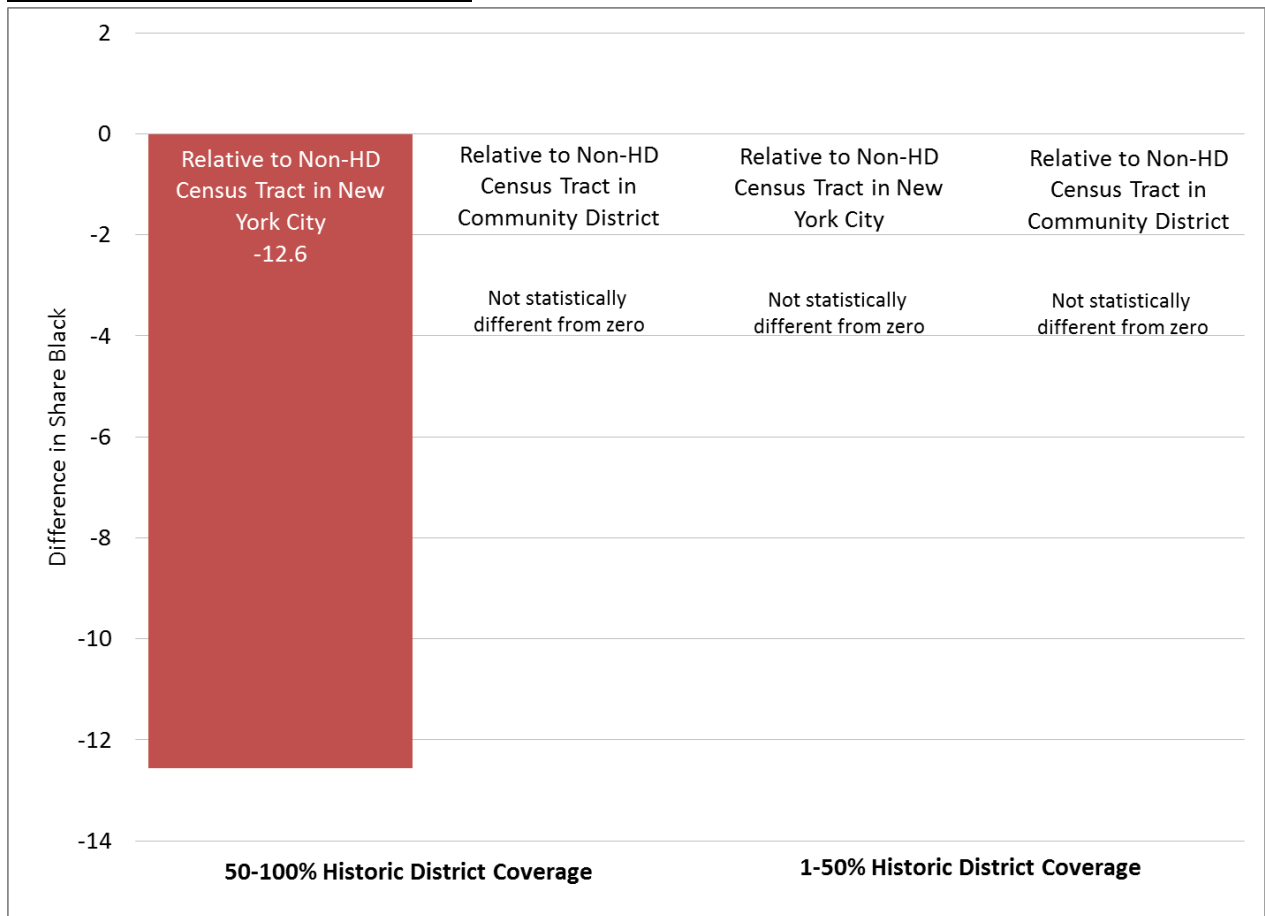
Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 5.18: 2012 Difference in Share Hispanic Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



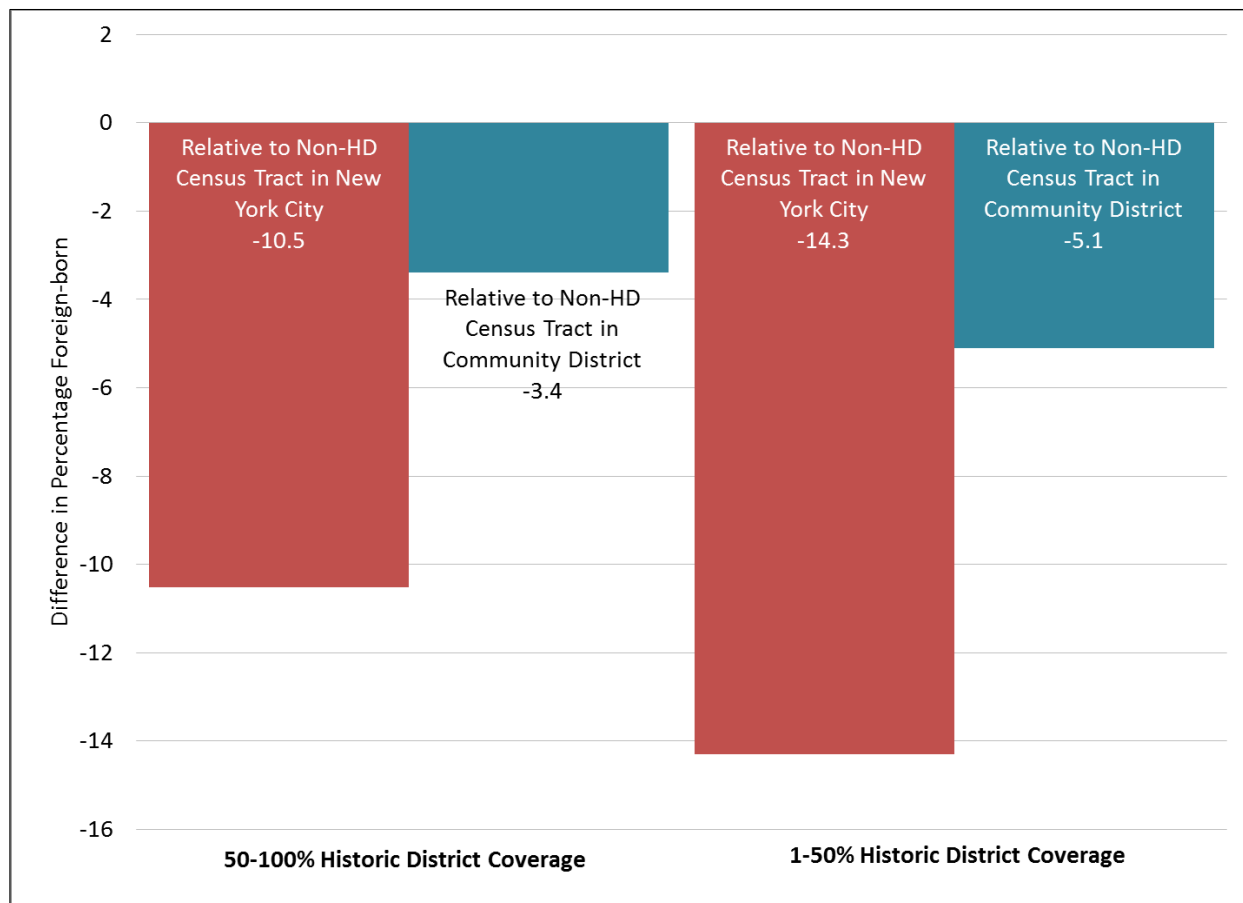
Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 5.19: 2012 Difference in Share Black Inside and Outside of Historic Districts Falls to Zero Within Community Districts



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 5.20: 2012 Difference in Share Foreign Born Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: U.S. Census Bureau, Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

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This section shows that, across all boroughs, census tracts that were inside of historic districts were more densely populated than census tracts outside of historic district areas. The households living in census tracts that were partially or mostly inside of historic districts were less likely to have children as compared to households living in other tracts in the same community district. In addition, residents of historic districts had higher incomes and more education than residents of surrounding neighborhoods.

Throughout the city, residents living in historic districts were also more likely to own their homes and more likely to be non-Hispanic white.

Section 6: Commercial Space and Economic Activity

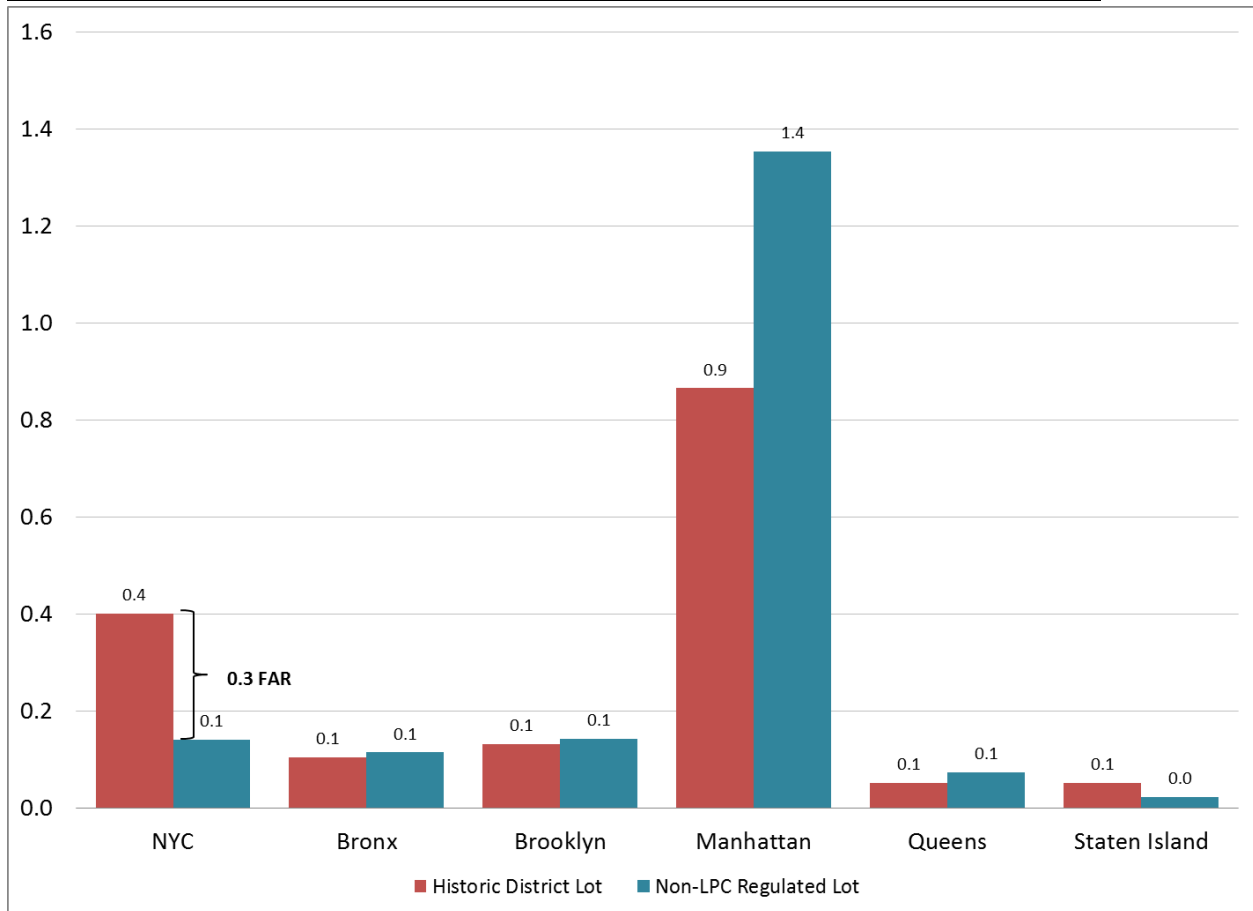
As previously noted, promotion of economic activity was a stated goal of the Landmarks Law, though Section 3 showed that most historic district areas are primarily residential. In this section, we compare commercial space and activity inside and outside of historic districts. Specifically, we examine four metrics: prevalence of commercial space; presence of retail space; employment density; and commercial rent levels. For employment density, our unit of analysis is the census block. For the other three outcomes, the tax lot is the unit of analysis. As in the other sections, we report on citywide differences, differences within individual boroughs, and then average differences within community districts.

6.1 Commercial Space

Figure 6.1 shows that the average historic district lot in New York City housed more commercial floor area per square foot of land area than the average non-LPC designated lot (0.4 FAR versus 0.1 FAR). But this difference was driven by the large concentration of historic districts lots in Manhattan, which had considerably higher commercial density than other boroughs. Within boroughs, the differences in built commercial FAR were relatively small, with the exception of Manhattan where commercial density was actually lower inside historic districts than it was outside (0.9 FAR vs. 1.4 FAR). In fact, when we compare commercial FAR on historic district lots with non-LPC-regulated lots in the same community district (Figure 6.2), we find that on average across the city, historic district lots had *less* built commercial area per square foot of land (0.3 commercial FAR less) than non-LPC lots within the same community district.

There was significant variation across historic districts however. The African Burial Ground & the Commons Historic District had a built commercial FAR of 11.1 while 12 of the city’s historic districts had no commercial space.³⁴

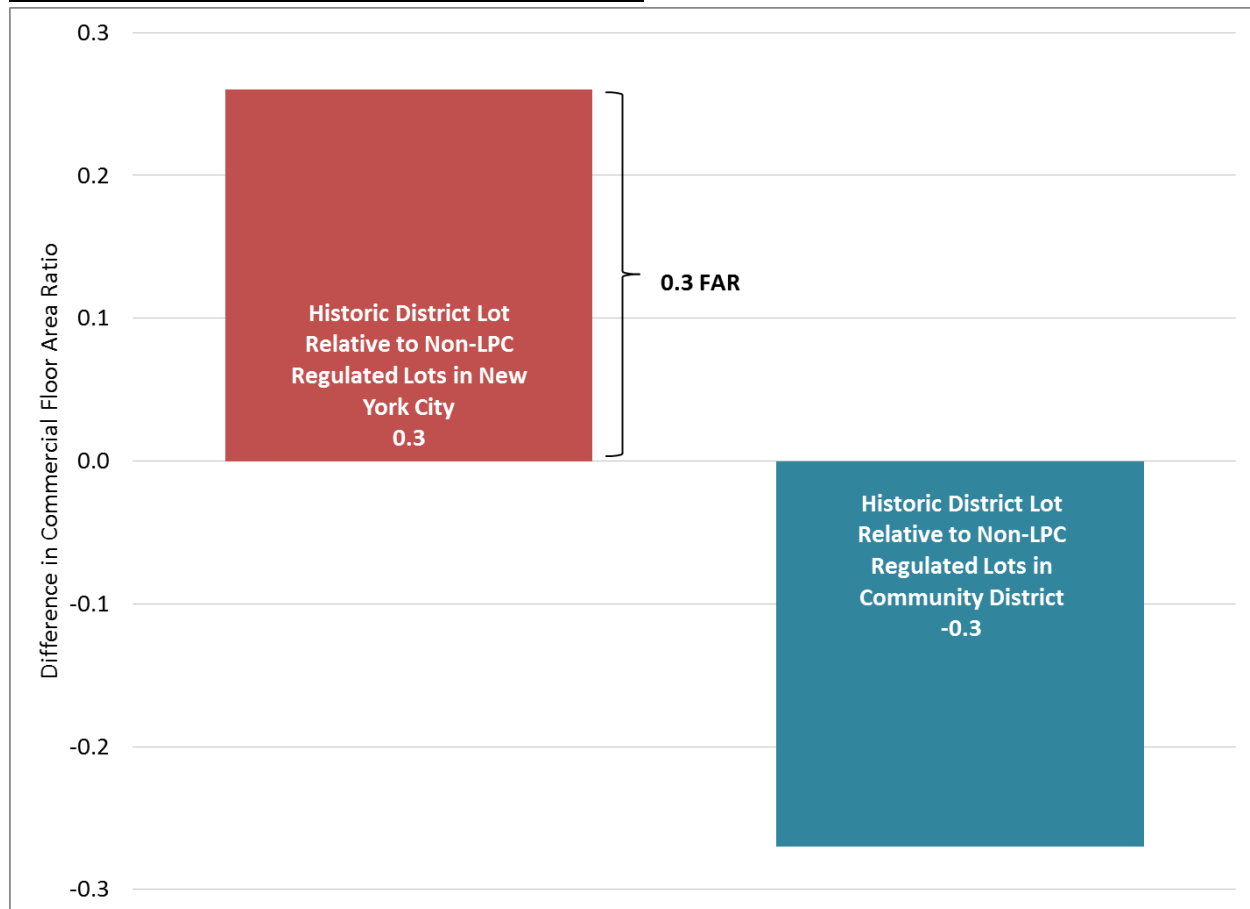
Figure 6.1: Built Commercial Floor Area Ratio for Lots by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

³⁴ We note here that built commercial FAR refers to the amount of commercial floor area on a lot divided by the lot area. This number is distinct from the built FAR described earlier which represents the total amount of building area on a lot divided by the lot area.

Figure 6.2: 2014 Difference in Commercial Floor Area Inside and Outside of Historic Districts Reverses within Community Districts



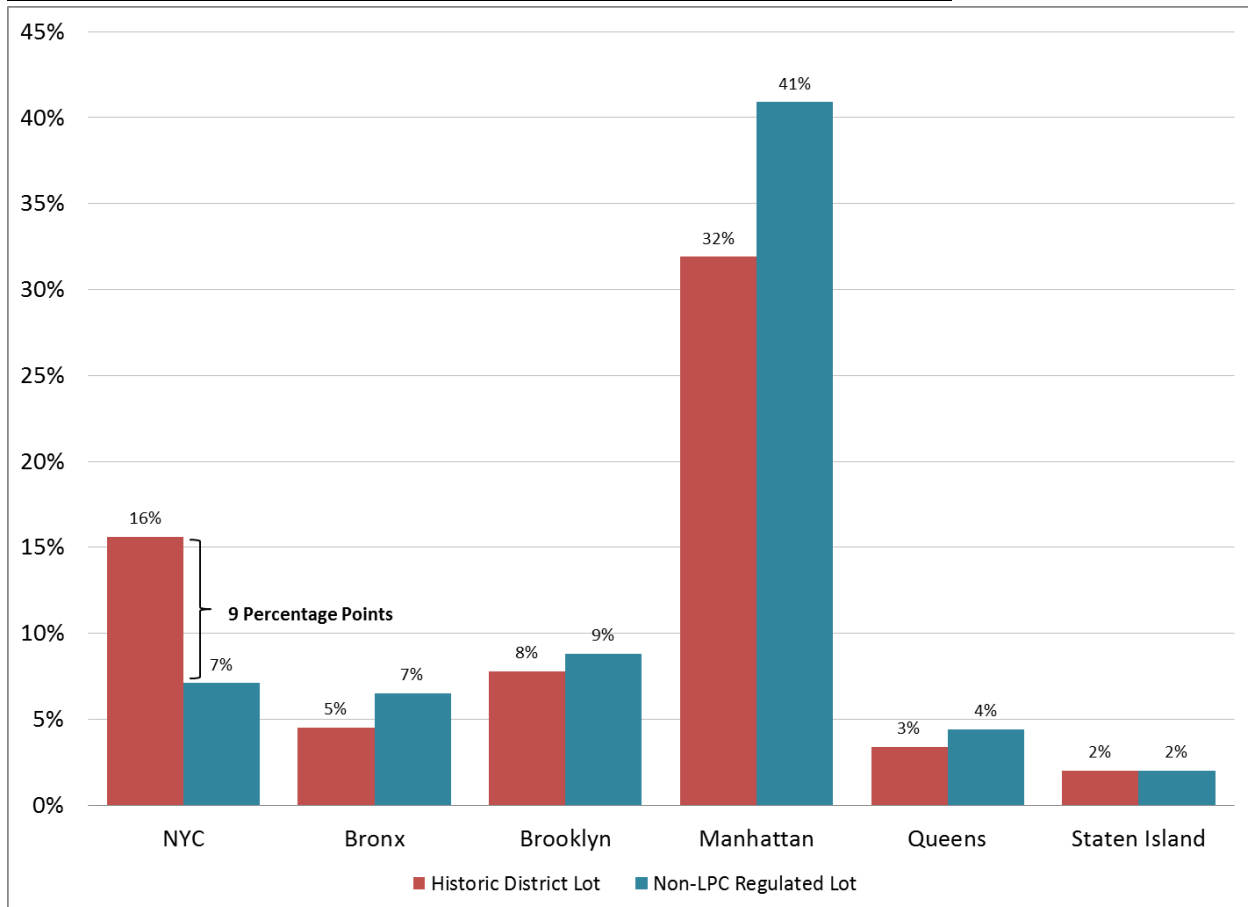
Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

6.2 Retail

Figure 6.3 shows a similar pattern for retail. Before controlling for borough or neighborhood, we find that 16 percent of historic district lots contained retail space compared with just 7 percent of non-LPC-regulated lots. This was, however, driven by the concentration of historic districts in Manhattan, where buildings are much more likely to include retail spaces. In the Bronx, Brooklyn and Queens, non-LPC-regulated lots are somewhat more likely to have retail while the likelihood is the same in Staten Island. Indeed, Figure 6.4 shows that on average, historic district lots were 9 percentage points less likely to have retail space than non-LPC-regulated lots in the same community district.

Again, these average differences cloud considerable variation across historic districts. While 100 percent of the lots in the Fraunces Tavern Block and Stone Street historic districts included retail spaces, 35 historic districts had no retail at all.

Figure 6.3: Percent of Lots with Retail Space by Historic Status, 2014



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

Figure 6.4: 2014 Difference in Retail Presence Inside and Outside of Historic Districts Reverses Within Community Districts



Sources: Landmarks Preservation Commission, MapPLUTO, NYU Furman Center

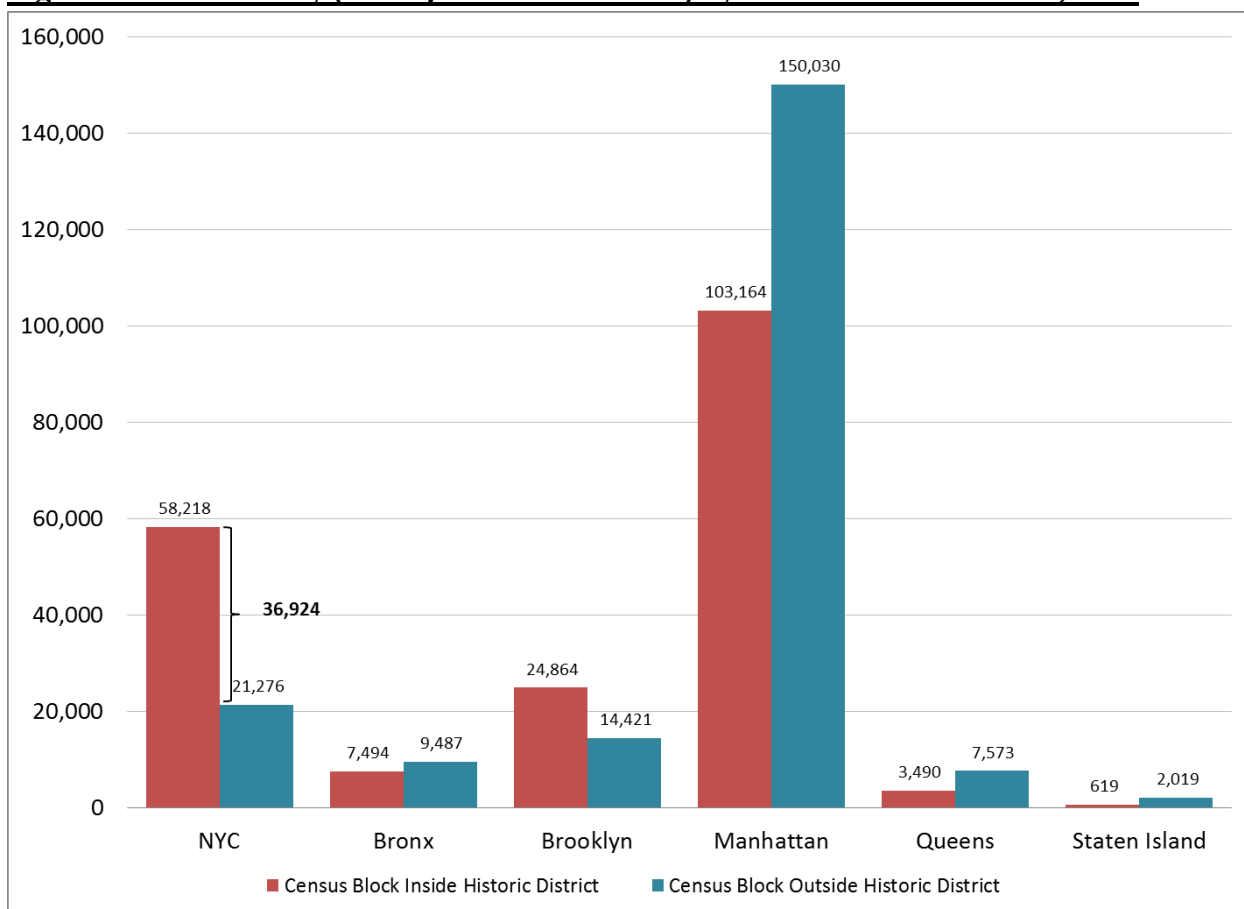
6.3 Employment

We see a similar but somewhat different story when we consider employment. Again, our unit of analysis here is the census block. The Census divides New York City into about 39,000 census blocks for enumeration purposes. For ease of presentation, we divide census blocks into just two categories: those with at least one lot in a historic district and those with no lots in historic districts.

Figure 6.5 shows that citywide, historic district blocks boasted average employment densities nearly three times those of non-historic district blocks. But once again, this difference was driven by the fact that historic districts were disproportionately located in Manhattan, which has much higher employment density than the other four boroughs of the city. Once we look within Sub-Borough Areas

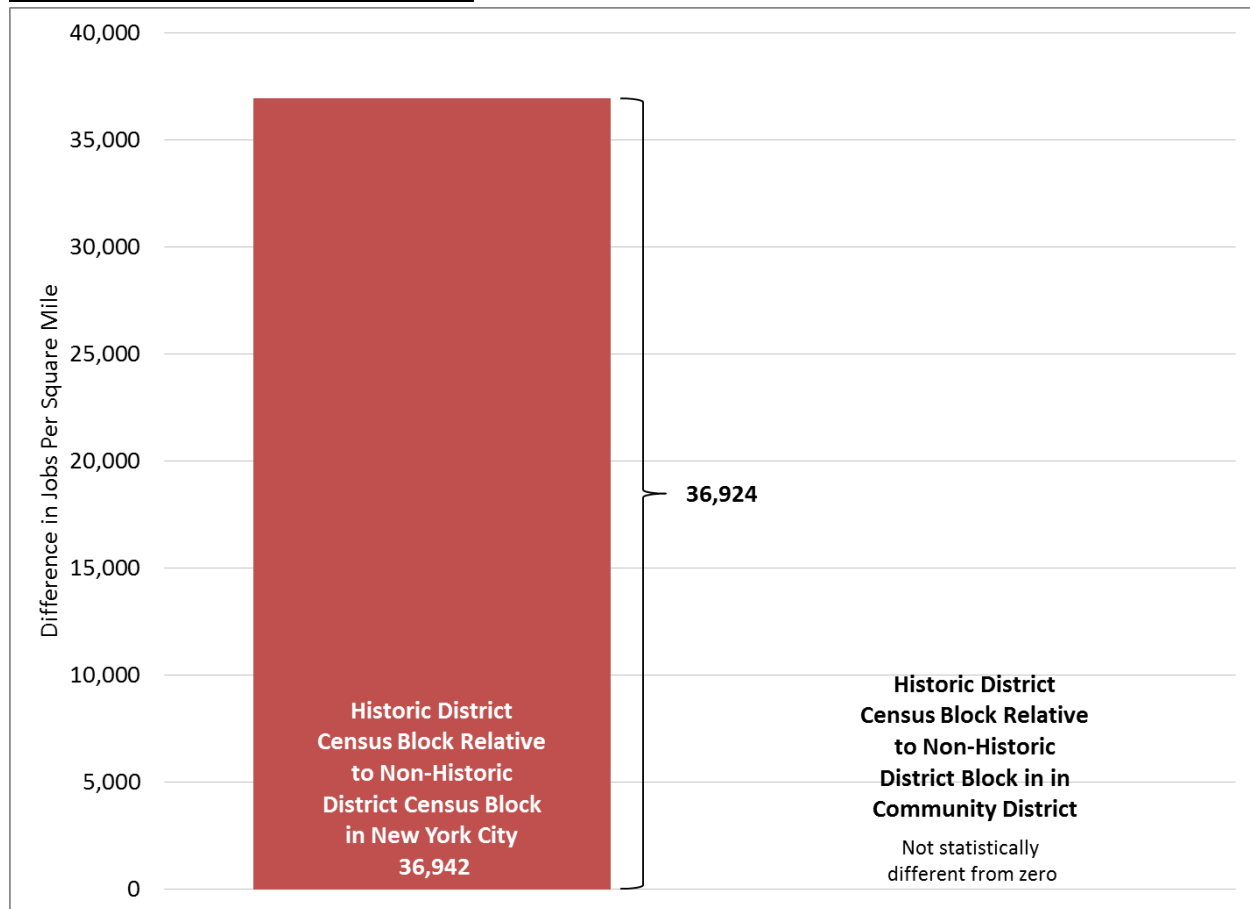
(which are aggregations of census blocks that are very close to community districts), we see no difference in job density between historic district blocks and other blocks. So while we find less commercial space and less retail on lots inside historic districts as compared to other lots in the same community district, we see no difference in employment density at the block level. It appears that the commercial floor area that exists in historic districts have somewhat higher employment densities than those spaces outside of districts.

Figure 6.5: Job Density (Per Square Mile of Land) by Historic District Status, 2013



Sources: LEHD Origin-Destination Employment Statistics, U.S. Census Bureau, MapPLUTO, NYU Furman Center

Figure 6.6: 2013 Difference in Job Density Inside and Outside of Historic Districts Falls to Zero Within Community Districts



Sources: LEHD Origin-Destination Employment Statistics, U.S. Census Bureau, MapPLUTO, NYU Furman Center

6.4 Commercial Rents

Another measure of commercial activity is the level of commercial rents. We restrict our analysis to properties that were 100 percent commercial and classified by the New York City Department of Finance as either “Office Buildings” or “Store Buildings,” because we are unable to separate commercial and residential rents for buildings that have a mix of commercial and residential space.³⁵ Additionally, we were not able to separate out office rents from retail rents for a building containing both due to the data limitations.

³⁵ We restrict to properties where building class is a “K” or an “O” and also exclude properties with zero income and properties with at least one residential units.

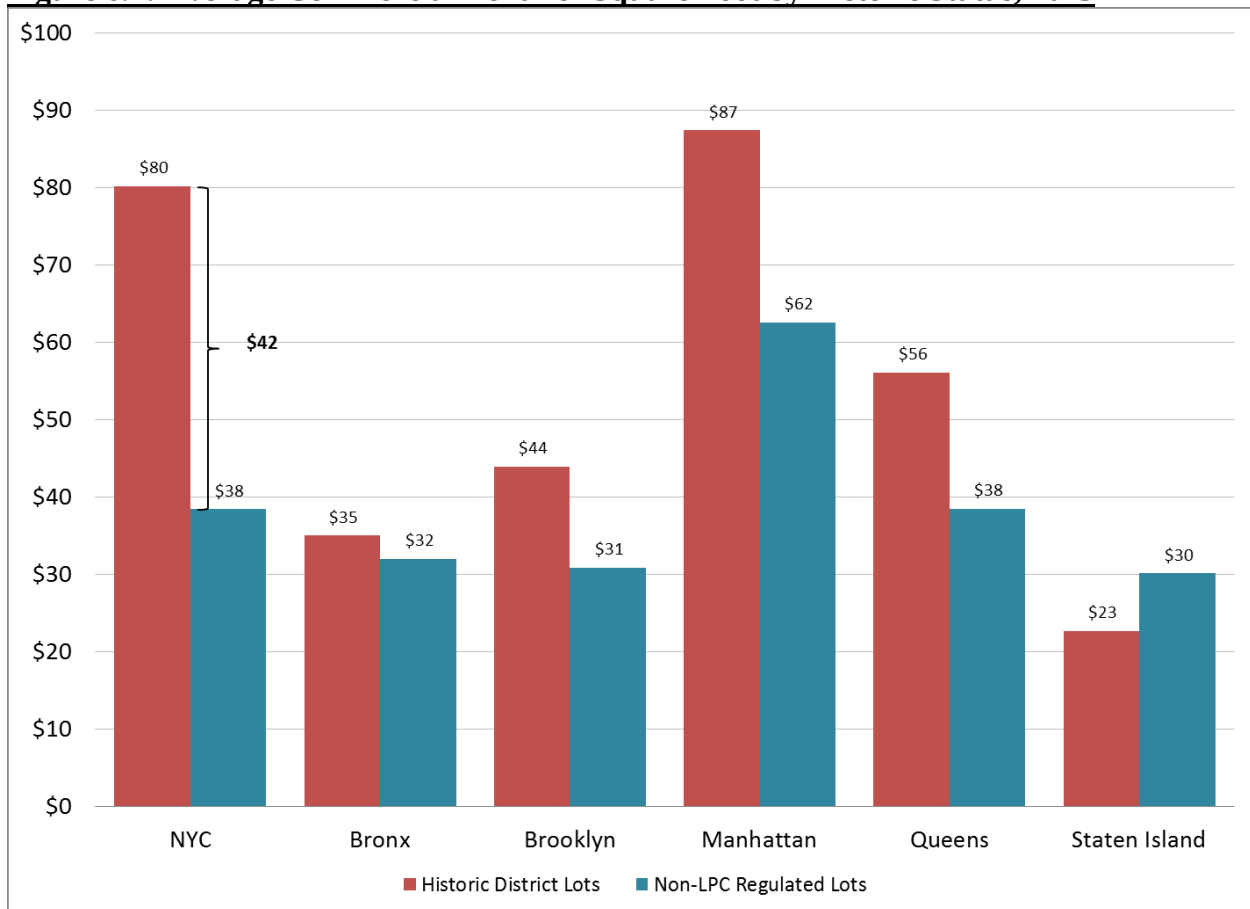
In Figure 6.7, we find that citywide, the average rent per building square foot for commercial properties inside of historic districts was \$80 in 2013.³⁶ On non-LPC-regulated lots, the average commercial property's rent per square foot was \$38. Again, much of this difference was driven by the concentration of historic district in Manhattan, the borough with the highest commercial rents. Still, in all boroughs except for in Staten Island, commercial rents were higher within historic districts than outside.

But these differences within boroughs appear to be explained in large part by the fact that the commercial buildings within historic districts tended to be located in just a few, relatively high-rent community districts. When we compare commercial rents for buildings inside historic districts to commercial rents for non-LPC-regulated buildings in the same community district (shown in Figure 6.8), we find that the differences in rents are not statistically different from zero. At the same time, when we restrict only to properties that are exclusively retail establishments (Figure 6.9), we find that retail rent per building square foot of a historic district lot is, on average, \$20 higher than for non-LPC lots in the same community district.³⁷

³⁶ We estimate the rent per square foot by dividing building income by the total square footage of the building, which is likely to be larger than the “rentable” floor area. Therefore, the rent per square foot will likely be lower than the actual commercial rent per rentable square foot.

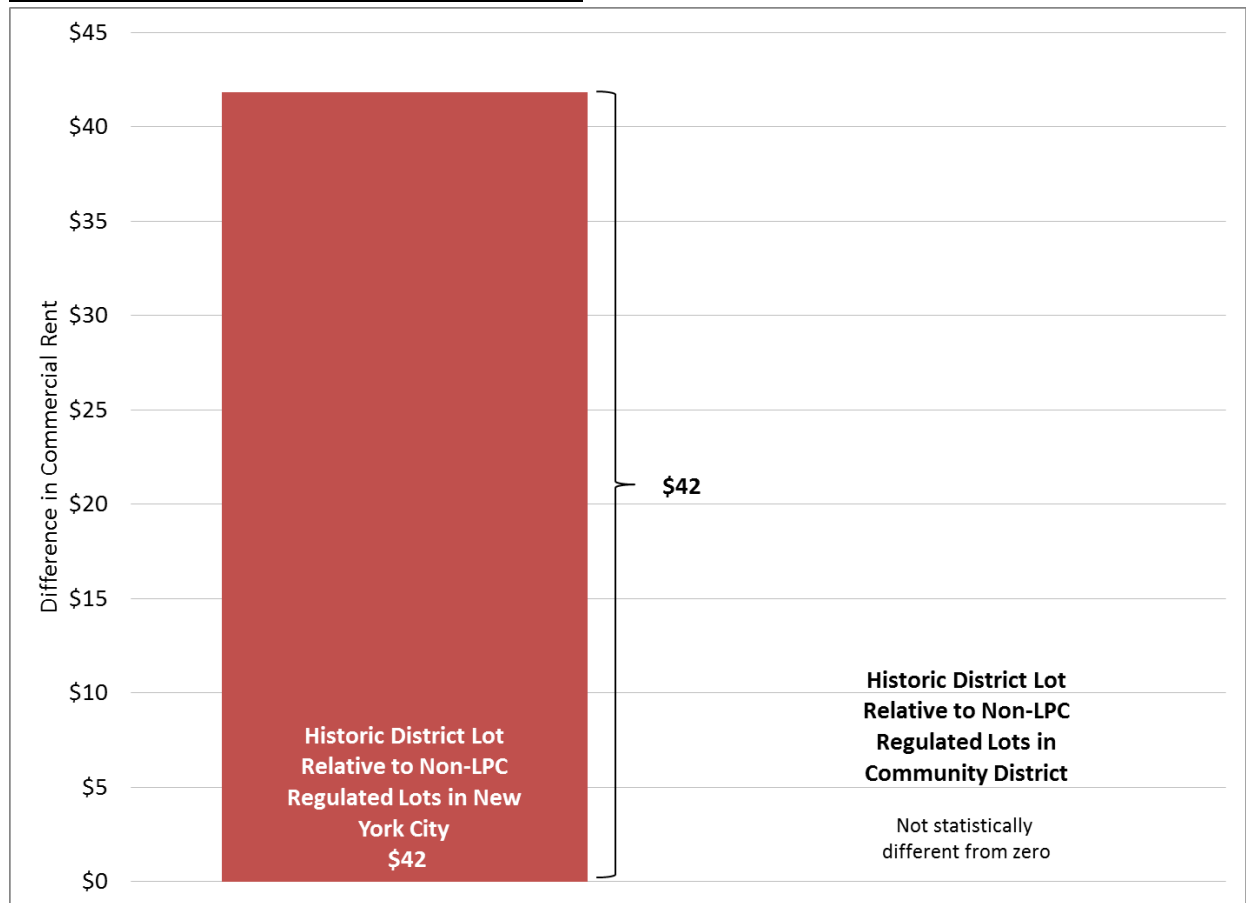
³⁷ We remind readers that here we are restricting the analysis of retail rents to only “store” buildings as classified by the Department of Finance (and not any retail space in a mixed retail/office or retail/residential building). Rents could differ for ground floor retail.

Figure 6.7: Average Commercial Rent Per Square Foot by Historic Status, 2013



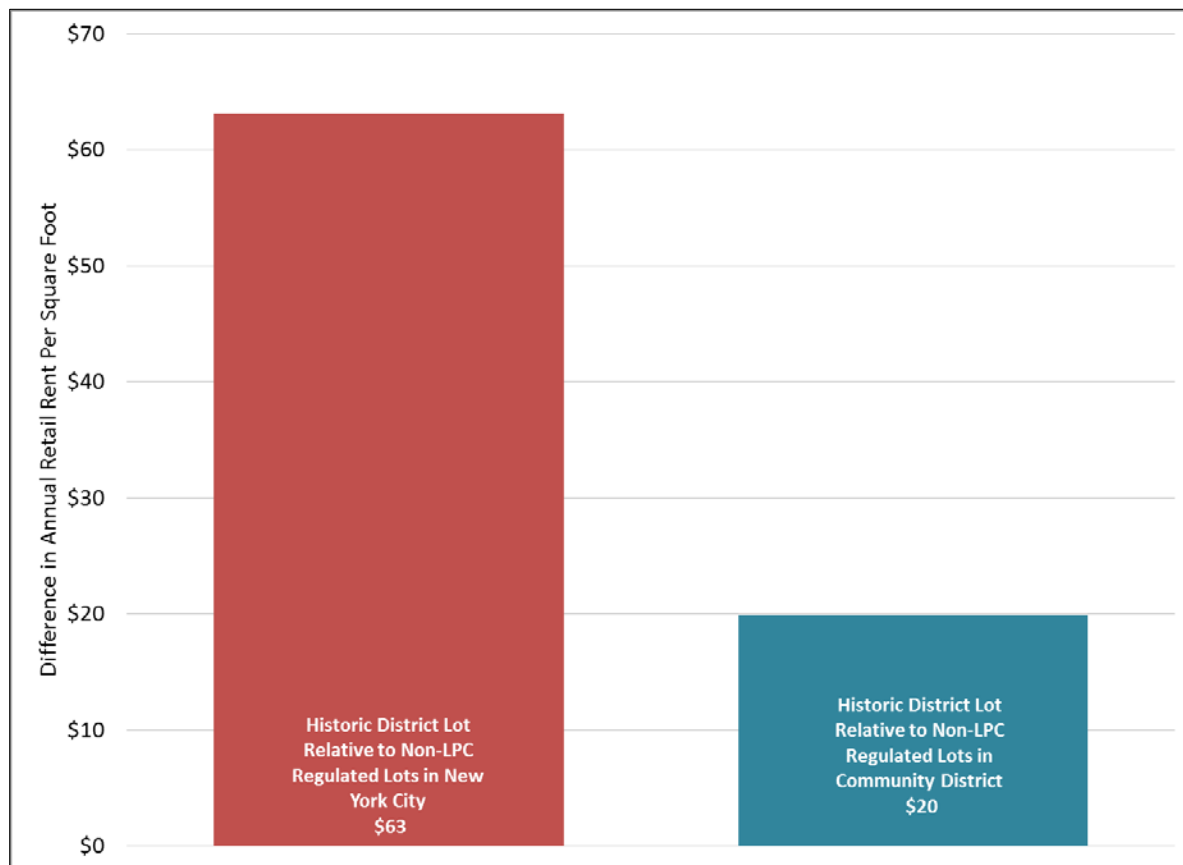
Sources: New York City Landmarks Preservation Commission, MapPLUTO, New York City Department of Finance, NYU Furman Center

Figure 6.8: 2013 Difference in Commercial Rent Inside and Outside of Historic Districts Falls to Zero Within Community Districts



Sources: New York City Landmarks Preservation Commission, MapPLUTO, New York City Department of Finance, NYU Furman Center

Figure 6.9: Difference in Retail Rent Inside and Outside of Historic Districts Falls but Remains Statistically Significant Within Community Districts



Sources: New York City Landmarks Preservation Commission, MapPLUTO, New York City Department of Finance, NYU Furman Center

* * *

This section sheds some light on commercial space and activity in historic districts. On average, areas within historic districts contained more commercial space and boasted higher employment densities and commercial rents than other blocks in the city. However, these differences were driven by the concentration of historic districts in Manhattan. When we compare historic district lots to other lots in the same community district, we find that they housed slightly *less* commercial and retail space and commanded the same commercial rents. Meanwhile, blocks inside historic districts had the same levels of employment density as other nearby blocks.

Conclusion

This report offers a portrait of 50 years of historic preservation in New York City. Historic designations have protected a significant number of the city's oldest properties. By the end of 2014, 3.4 percent of the city's lots had a historic district designation, and these lots were much more likely to house buildings built over a century ago than the lots outside of historic districts. Our report also confirms that there was substantially less new construction in historic districts, contributing to the goal of protecting the character and built environment of some of the city's historic neighborhoods.

Our exploration confirms that historic districts are, in many ways, quite different from other neighborhoods in the city. Within historic districts, we find older buildings, larger residential units as well as a greater proportion of units in multi-family properties. In addition, we find that a greater proportion of rental units in historic districts were market-rate, though we find no difference in the rate of exit of rental units from rent regulation within community districts. We also find that while lots in historic districts tended to be zoned for somewhat less density than other lots nearby, they were actually built to the same density levels on average because they use up more of their development capacity. That said, soft sites in historic districts were significantly less likely to be redeveloped than other soft sites in the same community district.

As for population differences, we find that the residents of historic districts were less likely to have children living at home as compared to residents of surrounding neighborhoods and were higher income, more highly educated and more likely to be non-Hispanic white.

With regard to economic activity, lots within historic districts housed more commercial space and boasted higher employment densities and commercial rents than other lots in the city. However, these differences were driven by the concentration of historic districts in Manhattan. Historic district lots actually housed slightly less commercial and retail space than other nearby lots and commanded similar overall commercial rents (yet higher retail rents).

To be sure, the differences we find should not be interpreted as having been *caused* by the designation of districts. Many of the differences may have existed before designation. Our aim here is simply to study and describe the differences. In companion work, we study how the designation of historic districts affects construction activity, property values, rents, and the composition of the population.

APPENDIX A: Historic District and District Extensions

Historic District Designations and Extensions (1965-1974)				
Historic District or Extension	Year	Borough	Lots	Lot Area (sq. ft.)
Brooklyn Heights Historic District	1965	BK	1,279	4,150,658
Charlton-King-Vandam Historic District	1966	MN	72	196,753
Gramercy Park Historic District	1966	MN	64	222,523
Sniffen Court Historic District	1966	MN	10	9,936
Turtle Bay Gardens Historic District	1966	MN	20	43,826
MacDougal-Sullivan Gardens Historic District	1967	MN	21	47,336
St. Nicholas Historic District	1967	MN	156	301,521
Treadwell Farm Historic District	1967	MN	76	160,982
Hunters Point Historic District	1968	QN	47	86,182
Cobble Hill Historic District	1969	BK	935	2,373,007
Mott Haven Historic District	1969	BX	67	174,200
Greenwich Village Historic District	1969	MN	1,877	5,767,604
Henderson Place Historic District	1969	MN	22	24,012
St. Mark's Historic District	1969	MN	31	84,717
Chelsea Historic District	1970	MN	145	484,400
Jumel Terrace Historic District	1970	MN	54	86,689
Stuyvesant Heights Historic District	1971	BK	437	1,052,220
Mount Morris Park Historic District	1971	MN	257	608,483
Boerum Hill Historic District	1973	BK	304	594,818
Carroll Gardens Historic District	1973	BK	160	282,364
Park Slope Historic District	1973	BK	1,896	4,364,483
Central Park West - 76th Street Historic District	1973	MN	48	191,358
Riverside - West 105th Street Historic District	1973	MN	30	65,261
SoHo-Cast Iron Historic District	1973	MN	446	2,265,628
Carnegie Hill Historic District	1974	MN	103	210,315
Hamilton Heights Historic District	1974	MN	203	449,456

Historic District Designations and Extensions (1975-1984)				
Historic District or Extension	Year	Borough	Lots	Lot Area (sq. ft.)
Stuyvesant Square Historic District	1975	MN	53	201,616
Fulton Ferry Historic District	1977	BK	30	346,457
Central Park West - West 73rd - 74th Street Historic District	1977	MN	43	166,505
Metropolitan Museum Historic District	1977	MN	132	506,732
South Street Seaport Historic District	1977	MN	72	446,445
Albemarle-Kenmore Terraces Historic District	1978	BK	33	56,362
Brooklyn Academy of Music Historic District	1978	BK	92	241,985
Fort Greene Historic District	1978	BK	813	2,145,190
Fraunces Tavern Block Historic District	1978	MN	11	26,936
Prospect Lefferts Gardens Historic District	1979	BK	860	2,002,380
Prospect Park South Historic District	1979	BK	207	1,414,014
Audubon Terrace Historic District	1979	MN	7	109,590
Longwood Historic District	1980	BX	131	385,224
Clinton Hill Historic District	1981	BK	915	2,717,677
Ditmas Park Historic District	1981	BK	172	1,107,709
Chelsea Historic District Extension	1981	MN	106	248,891
Upper East Side Historic District	1981	MN	965	4,273,637
Greenpoint Historic District	1982	BK	360	945,237
Morris High School Historic District	1982	BX	54	267,704
Longwood Historic District Extension	1983	BX	11	39,118
St. Mark's Historic District Extension	1984	MN	1	1,022
West End - Collegiate Historic District	1984	MN	144	353,322

Historic District Designations and Extensions (1985-1994)				
Historic District or Extension	Year	Borough	Lots	Lot Area (sq. ft.)
Riverside Drive-West 80th-81st Street Historic District	1985	MN	36	79,937
New York City Farm Colony- Seaview Hospital Historic District	1985	SI	31	14,963,971
Morris Avenue Historic District	1986	BX	35	71,350
Cobble Hill Historic District Extension	1988	BK	2	9,363
Tudor City Historic District	1988	MN	17	215,799
Ladies' Mile Historic District	1989	MN	352	2,376,156
Riverside-West End Historic District	1989	MN	261	1,128,169
South Street Seaport Historic District Extension	1989	MN	11	60,946
West 71st Street Historic District	1989	MN	34	67,569
Riverdale Historic District	1990	BX	33	620,240
Upper West Side/Central Park West Historic District	1990	MN	1,766	6,334,435
Tribeca West Historic District	1991	MN	177	771,483
Tribeca East Historic District	1992	MN	184	696,763
Tribeca North Historic District	1992	MN	63	410,288
Tribeca South Historic District	1992	MN	63	271,357
African Burial Ground & The Commons Historic District	1993	MN	8	192,769
Expanded Carnegie Hill Historic District	1993	MN	234	1,141,975
Jackson Heights Historic District	1993	QN	522	3,993,604
Bertine Block Historic District	1994	BX	24	59,098
Clay Avenue Historic District	1994	BX	32	81,089
Mott Haven East Historic District	1994	BX	69	142,319
St. George / New Brighton Historic District	1994	SI	94	578,994

Historic District Designations and Extensions (1995-2004)				
Historic District or Extension	Year	Borough	Lots	Lot Area (sq. ft.)
Governors Island Historic District	1996	MN	1	4,010,783
Stone Street Historic District	1996	MN	14	39,590
Vinegar Hill Historic District	1997	BK	41	89,358
Douglaston Historic District	1997	QN	706	5,922,174
East 17th Street / Irving Place Historic District	1998	MN	10	22,180
Hardenbergh/Rhineland Historic District	1998	MN	7	8,635
NoHo Historic District	1999	MN	108	1,074,477
Fort Totten Historic District	1999	QN	1	4,046,510
Hamilton Heights Historic District Extension	2000	MN	30	132,412
Hamilton Heights/Sugar Hill Historic District	2000	MN	187	509,050
Stockholm Street Historic District	2000	QN	36	74,012
Hamilton Heights/Sugar Hill Historic District Extension	2001	MN	14	52,918
Hamilton Heights/Sugar Hill Northeast Historic District	2001	MN	32	222,017
Madison Square North Historic District	2001	MN	93	555,033
Hamilton Heights/Sugar Hill Northwest Historic District	2002	MN	105	328,196
Murray Hill Historic District	2002	MN	76	158,874
Tribeca South Historic District Extension	2002	MN	23	71,787
Gansevoort Market Historic District	2003	MN	70	469,838
Noho East Historic District	2003	MN	40	122,854
Murray Hill Historic District Extension	2004	MN	11	23,057
Douglaston Hill Historic District	2004	QN	32	380,346
St. Paul's Avenue-Stapleton Heights Historic District	2004	SI	98	802,769

Historic District Designations and Extensions (2005-2014)				
Historic District or Extension	Year	Borough	Lots	Lot Area (sq. ft.)
Fieldston Historic District	2006	BX	296	3,568,935
Greenwich Village Historic District Extension	2006	MN	37	159,806
Weehawken Street Historic District	2006	MN	10	25,214
Crown Heights North Historic District	2007	BK	431	1,323,172
DUMBO Historic District	2007	BK	60	855,233
Eberhard Faber Pencil Company Historic District	2007	BK	7	72,172
Manhattan Avenue Historic District	2007	MN	40	56,359
Sunnyside Gardens Historic District	2007	QN	616	1,610,197
Fiske Terrace-Midwood Park Historic District	2008	BK	253	1,323,621
NoHo Historic District Extension	2008	MN	56	215,710
West Chelsea Historic District	2008	MN	24	580,737
Alice and Agate Courts Historic District	2009	BK	36	46,936
Fillmore Place Historic District	2009	BK	29	45,072
Ocean on the Park Historic District	2009	BK	12	35,474
Prospect Heights Historic District	2009	BK	855	2,130,324
Perry Avenue Historic District	2009	BX	9	22,387
Audubon Park Historic District	2009	MN	20	275,600
Lamartine Place Historic District	2009	MN	11	26,934
Ridgewood North Historic District	2009	QN	96	261,766
Greenwich Village Historic District Extension II	2010	MN	201	521,123
SoHo-Cast Iron Historic District Extension	2010	MN	132	559,566
Upper East Side Historic District Extension	2010	MN	64	220,645
Ridgewood South Historic District	2010	QN	217	632,089
Borough Hall Skyscraper Historic District	2011	BK	25	193,152
Crown Heights North II Historic District	2011	BK	613	1,976,586
Wallabout Historic District	2011	BK	62	117,241
Grand Concourse Historic District	2011	BX	91	1,766,071
Addisleigh Park Historic District	2011	QN	457	2,105,947
Park Place Historic District	2012	BK	13	31,748
Park Slope Historic District Extension	2012	BK	584	1,328,944
East 10th Street Historic District	2012	MN	26	64,813
East Village / Lower East Side Historic District	2012	MN	302	816,114
Riverside-West End Historic District Extension I	2012	MN	181	1,012,895
Bedford Stuyvesant/Expanded Stuyvesant Heights Historic D	2013	BK	742	1,695,046
South Village Historic District	2013	MN	199	739,740
West End-Collegiate Historic District Extension	2013	MN	205	1,092,722
Chester Court Historic District	2014	BK	18	30,730
Park Avenue Historic District	2014	MN	58	589,791
Central Ridgewood Historic District	2014	QN	929	1,917,548

APPENDIX B: Additional Analyses

Table B1: Historic Districts at the Extremes: Development

		Historic District	Value
Built FAR	Min	Douglaston Hill Historic District	0.2
	Max	African Burial Ground & The Commons Historic District	11.1
Zoned FAR	Min	Eight Districts	1.0
	Max	Stone Street Historic District	14.3
% of Zoning Capacity Used	Min	Morris High School Historic District	14%
	Max	African Burial Ground & the Commons Historic District	100%
% of Lots with New Building (2004-2014)	Min	52 Districts	0%
	Max	Tribeca North Historic District	10%
We combined historic districts and their related extensions for purposes of calculating these numbers. We did not consider the Fort Totten Historic District and the Governors Island Historic District for maximum and minimums given their unique character.			

Table B2: Historic Districts at the Extremes: Population

	HD Name	Value
Population Density (per Sq. Mile)		
Min	Douglaston Historic District	5,440
Max	Hardenbergh/Rhineland Historic District	144,468
% Housedolds w/ children		
Min	West Chelsea Historic District	3.91
Max	Morris Avenue Historic District	56.38
% Older than 65		
Min	Vinegar Hill Historic District	0.99
Max	Riverdale Historic District	46.21
Mean income		
Min	Bertine Block Historic District	26,128
Max	Tribeca South Historic District	384,406
% Persons in poverty		
Min	Tribeca South Historic District Extension	1.97
Max	Bertine Block Historic District	56.37
% College or more (25+ y.o.)		
Min	Bertine Block Historic District	5.00
Max	Tribeca South Historic District	88.39
% Owned housing units		
Min	Bertine Block Historic District	1.11
Max	Addisleigh Park Historic District	77.48
% Non-Hispanic White		
Min	Addisleigh Park Historic District	0.75
Max	Upper East Side Historic District Extension	90.23
% African-American		
Min	Douglaston Hill Historic District	0.00
Max	Addisleigh Park Historic District	85.89
% Hispanic		
Min	Hardenbergh/Rhineland Historic District	3.50
Max	Longwood Historic District	81.58
% Foreign-born		
Min	Boerum Hill Historic District	12.07
Max	Jackson Heights Historic District	57.00
Note: We exclude Fort Totten and Governors Island Historic Districts because they do not have any residents.		

Table B3: Historic Districts at the Extremes: Commercial Activity

		Historic District	Value
Commercial FAR	Min	12 Districts	0
	Max	African Burial Ground & The Commons Historic District	11.1
Ground Floor Retail	Min	35 Districts	0%
	Max	Fraunces Tavern Block Historic District & Stone Street Historic District	100%
Rent per Commercial Sq. Ft.	Min	DUMBO Historic District	\$ 26
	Max	Upper East Side Historic District	\$ 108
We combined historic districts and their related extensions for purposes of calculating these numbers.			

LPC Regulation by Community District: Manhattan				
Community District	% Historic District Lots	% Non-HD Individual or Interior Designations	% of Lots LPC Regulated	% Lot Area LPC Regulated
Manhattan CD 01	43.5%	7.4%	50.8%	47.7%
Manhattan CD 02	69.0%	1.0%	70.0%	56.5%
Manhattan CD 03	8.6%	1.4%	9.9%	5.8%
Manhattan CD 04	9.0%	1.0%	10.0%	7.1%
Manhattan CD 05	14.6%	6.2%	20.8%	23.9%
Manhattan CD 06	9.0%	1.6%	10.5%	5.9%
Manhattan CD 07	63.2%	0.7%	63.9%	36.7%
Manhattan CD 08	29.8%	1.5%	31.3%	33.5%
Manhattan CD 09	23.3%	1.0%	24.3%	16.3%
Manhattan CD 10	9.5%	1.1%	10.6%	7.5%
Manhattan CD 11	0.3%	0.5%	0.8%	0.9%
Manhattan CD 12	3.0%	0.2%	3.2%	2.0%

LPC Regulation by Community District: Queens				
Community District	% Historic District Lots	% Non-HD Individual or Interior Designations	% of Lots LPC Regulated	% Lot Area LPC Regulated
Queens CD 01	0.0%	0.0%	0.0%	0.2%
Queens CD 02	6.2%	0.0%	6.2%	2.2%
Queens CD 03	3.6%	0.0%	3.6%	7.7%
Queens CD 04	0.0%	0.1%	0.1%	0.3%
Queens CD 05	4.1%	0.0%	4.1%	2.8%
Queens CD 06	0.0%	0.0%	0.0%	0.0%
Queens CD 07	0.0%	0.1%	0.1%	3.4%
Queens CD 08	0.0%	0.0%	0.0%	0.5%
Queens CD 09	0.0%	0.0%	0.0%	0.1%
Queens CD 10	0.0%	0.0%	0.0%	0.0%
Queens CD 11	2.9%	0.0%	2.9%	4.4%
Queens CD 12	1.1%	0.0%	1.1%	1.6%
Queens CD 13	0.0%	0.0%	0.0%	0.0%
Queens CD 14	0.0%	0.0%	0.0%	0.0%

LPC Regulation by Community District: Staten Island				
Community District	% Historic District Lots	% Non-HD Individual or Interior Designations	% of Lots LPC Regulated	% Lot Area LPC Regulated
Staten Island CD 01	0.5%	0.1%	0.6%	1.9%
Staten Island CD 02	0.1%	0.1%	0.2%	5.0%
Staten Island CD 03	0.0%	0.1%	0.1%	2.3%

LPC Regulation by Community District: Bronx				
Community District	% Historic District Lots	% Non-HD Individual or Interior Designations	% of Lots LPC Regulated	% Lot Area LPC Regulated
Bronx CD 01	4.0%	0.3%	4.3%	1.8%
Bronx CD 02	4.8%	0.1%	5.0%	1.5%
Bronx CD 03	1.4%	0.1%	1.6%	1.6%
Bronx CD 04	3.7%	0.2%	3.9%	7.7%
Bronx CD 05	1.1%	0.2%	1.3%	7.7%
Bronx CD 06	0.0%	0.1%	0.1%	12.5%
Bronx CD 07	0.2%	0.2%	0.4%	1.3%
Bronx CD 08	6.7%	0.3%	6.9%	11.1%
Bronx CD 09	0.0%	0.0%	0.0%	0.0%
Bronx CD 10	0.0%	0.0%	0.0%	2.9%
Bronx CD 11	0.0%	0.0%	0.0%	0.3%
Bronx CD 12	0.0%	0.0%	0.0%	0.0%

LPC Regulation by Community District: Brooklyn				
Community District	% Historic District Lots	% Non-HD Individual or Interior Designations	% of Lots LPC Regulated	% Lot Area LPC Regulated
Brooklyn CD 01	2.6%	0.1%	2.8%	3.0%
Brooklyn CD 02	44.6%	0.6%	45.2%	43.7%
Brooklyn CD 03	7.2%	0.0%	7.2%	5.6%
Brooklyn CD 04	0.0%	0.1%	0.1%	0.4%
Brooklyn CD 05	0.0%	0.0%	0.0%	0.1%
Brooklyn CD 06	25.8%	0.1%	25.9%	15.4%
Brooklyn CD 07	0.2%	0.0%	0.2%	0.2%
Brooklyn CD 08	23.7%	0.1%	23.9%	19.1%
Brooklyn CD 09	12.8%	0.0%	12.8%	6.6%
Brooklyn CD 10	0.0%	0.0%	0.0%	11.3%
Brooklyn CD 11	0.0%	0.0%	0.0%	0.1%
Brooklyn CD 12	0.0%	0.0%	0.0%	0.0%
Brooklyn CD 13	0.0%	0.0%	0.0%	0.1%
Brooklyn CD 14	5.7%	0.1%	5.7%	7.7%
Brooklyn CD 15	0.0%	0.0%	0.0%	0.1%
Brooklyn CD 16	0.0%	0.0%	0.0%	0.2%
Brooklyn CD 17	0.0%	0.0%	0.0%	0.0%
Brooklyn CD 18	0.0%	0.0%	0.0%	0.0%

APPENDIX C: Methodology

Section 2

We use Geographic Information Systems techniques to calculate the area of lots within Historic Districts as identified in shapefiles provided by the New York City Landmark Preservation Commission in March 2015. We overlay New York City Department of City Planning’s MapPLUTO data with the Historic Districts to determine the land area of each lot that is covered by a historic district designation. Lots with less than 100 square feet of coverage by a historic district were not considered to be covered by historic district designation because the lots as outlined on MapPLUTO and the historic district designation files may not always perfectly align when in reality the meets and bounds do align. While the LPC updated their shapefile of historic districts after we began our analysis, re-running the spatial join with the newer file revealed only marginal changes that would not impact any of the findings of this report.

We also use Geographic Information Systems to calculate land area of lots. In some instances MapPLUTO describes a lot having a LotArea of zero (e.g. 3010921201) when there is clearly a parcel occupying land area. In other instances, there are lots with a very large LotArea (e.g. BBL 2059310175) that manual calculations in ArcGIS reveal occupy a much smaller amount of land area.

We combine data sources for historic districts, individual landmarks, and interior landmarks. Lots are identified by their earliest historic designation date and district name when a lot is located in multiple historic districts or when a lot contains both an individual and an interior landmark. The “universe” of lots considered in this report (i.e. for the growth in the number of LPC-regulated properties and comparisons between areas covered by historic districts vs. areas outside) excludes a number of types of lots. Lots with a Land Use category of “09” known as “Open Space and Outdoor Recreation” are excluded as are other lots classified as parks. This is done so that lots with such parks and cemeteries are not considered in the

analysis which is so heavily focused on the built environment. We also exclude Ellis Island, Liberty Island, airports, large underwater lots and lots with no calculated lot area.

Section 3

Using a regression analysis framework, we compare the average unit size between lots that are covered by historic district designation and those that are neither covered by a historic district designation nor an individual or interior landmark designation. Because we are interested in the average differences between lots within the same community district, we used community district fixed effects. The dependent variable is the average number of square feet per unit in a building and we weight the analysis by number of units in a building because the lot is the unit of analysis. The independent variable is whether or not a lot is covered by a historic district designation or is a non-LPC regulated lot. There were 758,795 observations.

We use data from the New York City Housing Authority to identify public housing units. Data for privately-owned subsidized income-restricted units is from the Furman Center's Subsidized Housing Information Project. We identify units subject to rent regulation using data from John Krauss that can be found here at <http://taxbills.nyc/>. Krauss scraped New York City Department of Finance (DOF) property tax bills for properties with six or more units. We made two adjustments to this count of rent-regulated units. First, if the number of rent-regulated units on a lot exceeded the number of units identified in the DOF tax roll, we lowered the number of rent-regulated units for that building to the DOF number. Second, if the number of rental units in the building minus the number of rent-regulated units, privately-owned income-restricted units (from the Furman Center Subsidized Housing Information Project) and New York City Housing Authority units was between -1 and -3, we bottom coded so we would assume that there were zero market-rate units in the building. If the number of market-rate units appeared to be -4 or lower, we excluded the lot from our universe of analysis. In this analysis, we only looked at buildings with five or more rental units.

Using a regression analysis framework, we identify the likelihood that a rental unit is rented at market-rate. The dependent variable in this instance is the percent of units on a lot rented at market rate and the analysis weights lots by the number of rental units present. The independent variable is whether a lot is covered by historic district designation or not regulated by the LPC. Because we are interested in the average differences between lots within the same community district, we used community district fixed effects. Looking at all rental units, we have 56,177 lots. When we restrict our analysis to privately-owned rental units, we have 55,203 lots. When we further restrict the analysis to unsubsidized rental units, we have 51,799 observations.

Our regression looking at the change in the number of rent-regulated units between 2007 and 2013 considers 35,167 lots. We exclude lots that were designated as part of a historic district after 2007. The dependent variable is the change in the number of rent-regulated units between 2007 and 2013 on a lot. In one regression, we have a single independent variable representing whether a lot is covered by a historic district designation by 2007 or is not regulated by the LPC. In another regression, we consider both historic status and number of rent-regulated units in 2007 and additionally use community district fixed effects.

Section 4

We use the Zoning Resolution of the City of New York and the primary zoning district information on MapPLUTO to assign maximum residential, commercial, community facility and manufacturing Floor Area Ratios (FAR) to each lot (and assigned FAR based on majority lot area coverage in the instances of a split zoning lot). Adjustments are made to the maximum floor area to account for special district regulations and as-of-right zoning bonuses (i.e. Inclusionary Housing Program and plaza bonuses). We then identify built far by dividing building area over the lot area. We identify the percent of permitted FAR used by dividing the building area by the maximum permitted floor area on the site (using the highest permitted FAR). To identify newly built buildings, we used the “yearbuilt” variable

in MapPLUTO and to identify Alteration Type 1 permits, we used data from the Department of Buildings.

Using a regression analysis framework, we compare the density and development characteristics across lots that are covered by historic district designation and those that are neither covered by a historic district designation nor an individual or interior landmark designation. Because we are interested in the average differences between lots within the same community district, we used community district fixed effects. We look at the following dependent variables: built FAR, zoned FAR, percent of capacity used, whether or not a lot is a residential soft site, presence of a new building, presence of a new building on a 2007 residential soft site and permit for an Alteration Type 1 permit. The independent variable in each instance is whether or not a lot is covered by a historic district designation. By excluding individual and interior landmarks outside of historic districts as well as lots in special districts that allow for a transfer of development rights across blocks, we end up with 847,637 observations for the analysis of built FAR, zoned FAR, percent FAR used and whether a lot is a residential soft site. For the analysis of new buildings and alteration permits, we remove lots with a historic district designation between 2004 and 2014 and have 840,266 observations and 845,332 observations. For the analysis of a new building (built between 2008 and 2014) on a 2007 soft site, we have 195,731 observations.

Section 5

We use data from the American Community Survey 2009-2013 (5 year estimates) to examine the characteristics of the population in census tracts that are inside and outside of historic district areas. Among the 2,163 tracts that exist in New York City, we focus on the ones that have at least 100 residents living in them. This results in a final sample of 2,127 tracts. For each tract, we compute the share of residential units that are inside of historic district areas. We do so by using data on residential units from MapPLUTO and assigning BBLs to census tracts. Based on this metric, we assign each tract to one of the following three categories: (1) tracts fully outside of historic districts, if the tract has all of its residential

units outside of historic districts; (2) tracts partially inside of historic districts, if the share of residential units in historic districts is greater than 0% and smaller or equal than 50%; and (3) tracts mostly in historic districts, if the share of residential units in historic districts is greater than 50%.

Using a regression analysis framework, we then compare the population characteristics across tracts that are fully outside, partially inside, and mostly inside of historic districts. We examine differences in the following outcome variables: population density, share of households with children, share of residents older than 65 years, mean household income, share of residents living in poverty, share of residents older than 25 that have a college degree or more, home-ownership rate, share of non-Hispanic white residents, share of African-American residents, share of Hispanic residents, and share of foreign born residents. We regress each of these outcome variables on two dummy indicators, *HD0050* and *HD50100*, and a set of community district fixed effects. The dummy indicators *HD0050* and *HD50100* will capture the average differences in the outcome of interest with respect to tracts outside of historic districts for tracts that are partially inside and mostly inside of historic districts, respectively. The set of community district fixed effects will effectively restrict these comparisons to tracts in the same community district. For example, in a model examining differences in population density, the coefficient on *HD0050* will capture the average difference in persons per square mile between tracts that are partially inside of historic districts and tracts that are fully outside. Similarly, the coefficient on *HD50100* will capture the average difference in persons per square mile between tracts that are mostly inside of historic districts and tracts that are fully outside. We include total population weights in all our regression models. This approach means that we are measuring how the “average” resident in the community district experiences each of the socio-demographic characteristics that we examine.

Section 6

Using a regression analysis framework, we compare the commercial space and economic activity for areas covered by historic district designation and those that are neither covered by a historic district designation nor an individual or interior landmark designation. Because we are interested in the average

differences between lots within the same community district, we used community district fixed effects. We look at the following dependent variables: built commercial FAR, presence of retail space, commercial rent and retail rent. The independent variable in each instance is whether or not a lot is covered by a historic district designation. For the built commercial FAR and presence of retail space analysis, we have 849,992 observations and 849,999 observations. For the analysis of commercial rent, we restrict to lots with an office or store building class, rent of greater than zero and zero residential units. The commercial rent analysis had 20,956 lots and the retail rent analysis (restricting just to store buildings) had 15,034 lots.

For the analysis for employment density, we use the census block as the unit of analysis and have 38,636 observations. We use sub-borough area fixed effects and have historic district status as the independent variable and jobs per square mile as the dependent variable.

APPENDIX D: Relationship between the historic preservation and zoning

Zoning provisions to “transfer development rights” (TDRs) were developed in the late 1960s and early 1970s as a method to meet the “just compensation” requirement under the Fifth Amendment for historic district and landmark designations in order to minimize litigation risk under regulatory takings doctrine. At the time, TDRs in various cities were “designed to compensate the landmark owner for the actual losses that he suffers” under the assumption that courts would be uncomfortable upholding comprehensive historic preservation regulations without some degree of compensation.

In New York, as some commentators have noted, “the city was not about to offer monetary compensation [because] this was the era of near-bankruptcy for New York City”. The City Planning Commission outlined this goal explicitly in its report upon passage of the initial TDR amendment in 1968 saying “the owner of a designated landmark building can realize an economic gain by selling his unbuilt, but allowable development rights.”

The Supreme Court referenced the TDR program as one of many supportive factors within a comprehensive “ad hoc, factual inquiry” to uphold the Landmarks Law’s constitutionality. The Court concluded that while landmark designations restricted control over the parcel it also “enhances the economic position of the landmark owner in one significant respect... [where] owners who have not developed their property to the full extent... are allowed to transfer development rights to contiguous parcels”.

Special Permits for LPC-regulated properties

74-79 (Transfer of Development Rights from Landmark Sites)³⁸

³⁸ Section 74-79, New York City Zoning Resolution. Retrieved from <http://www.nyc.gov/html/dcp/pdf/zone/art07c04.pdf>

The 74-79 special permit allows landmark properties outside of historic districts and outside of some low density zoning districts to transfer unused development rights across a street. If a landmark is at a corner, development rights can be transferred to another lot that also faces the same intersection. Additionally, the special permit requires that the LPC approve a program for continuing maintenance of the existing landmark. Lots within historic districts (including individual and interior designations) are ineligible to transfer development rights under the 74-49 special permit. One underlying premise has been that buildings in historic districts both benefit and are burdened by the designation. This would be in contrast to landmark properties outside of historic districts which may be uniquely burdened by the LPC regulation without the benefit of having LPC-protected sites surrounding the landmark property.

74-711 (Landmark Preservation in All Districts)³⁹

The 74-711 special permit can allow a zoning lot within a historic district or a zoning lot that contains a designated landmark to modify use and bulk regulations. The special permit cannot be used, however, to increase floor area ratio for the lot. The special permit requires that the LPC not only provide a certificate of appropriateness regarding the sought modifications, but also requires the adoption of a program for continuing maintenance of the existing landmark structure or historic resource on the zoning lot. Consequently, this special permit can be used for alterations and enlargements of existing landmark structures or can be used to facilitate development of a new building on a portion of a zoning lot that elsewhere contains an individually designated structure or a contributing structure for a historic district.

74-712 (Development in Historic Districts)⁴⁰

The 74-712 special permit for use in historic districts does not involve preservation of an existing structure and may only be granted for zoning lots on which existing buildings occupy 20 percent or less of the zoning lot (or no more than 40 percent for the M1-5A and M1-5B zoning districts where a lot fronts two wide streets). The special permit can modify use regulations in M1-5A and M1-5B districts to allow

³⁹ Section 74-711, New York City Zoning Resolution. Retrieved from <http://www.nyc.gov/html/dcp/pdf/zone/art07c04.pdf>

⁴⁰ Section 74-712, New York City Zoning Resolution. Retrieved from <http://www.nyc.gov/html/dcp/pdf/zone/art07c04.pdf>

for residential use and can modify the bulk regulations, except floor area ratio, in all zoning districts. A certificate of appropriateness is required from the LPC if the special permit is used to modify bulk regulations.

Contextual zoning

Contextual zoning, with generally more restrictive building envelope constraints can be applied to an area before or after a historic district designation. For instance, in 2008 portions of the East Village in Manhattan were rezoned to contextual residential districts.⁴¹ In 2012, a portion of the rezoning area was designated a historic district.⁴² In other instances, contextual rezoning can follow historic district designation. In 1989, the LPC designated the Ladies Mile Historic District.⁴³ In 2004, a portion of the historic district was rezoned as a contextual district.⁴⁴

Special purpose districts

Some “special purpose districts” allowing transfers within larger neighborhoods were established by the City to incentivize development that meets certain economic goals or urban design goals. Supporting the economic viability of certain historic sites (not necessarily LPC-regulated) was a motivation behind the establishment of the following special districts:

- Historic South Street Seaport Subdistrict
- Special Sheepshead Bay District
- Special Coney Island District
- Theater Subdistrict
- Grand Central Subdistrict
- Special West Chelsea District

⁴¹ East Village / Lower East Side Rezoning - Approved!. Retrieved from <http://www.nyc.gov/html/dcp/html/evles/evles4.shtml>

⁴² EAST VILLAGE/LOWER EAST SIDE HISTORIC DISTRICT APPROVED. (2012, October 9). NYC Landmarks Preservation Commission. Retrieved from http://www.nyc.gov/html/lpc/downloads/pdf/12-10_east_village-lower_east_side_district_approved.pdf

⁴³ Ladies’ Mile Historic District Designation Report Vol. 1. New York City Landmarks Preservation Commission. Retrieved from <http://s-media.nyc.gov/agencies/lpc/lp/1609.pdf>

⁴⁴ Ladies’ Mile Rezoning - Approved!. Retrieved from <http://www.nyc.gov/html/dcp/html/ladiesmile/ladiesmile3.shtml>