

City limits have out-of-town hires scrambling for housing

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Affordable housing is becoming harder to find for out-of-town hires in New York City.

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The tech, advertising, media and information folks are just as worried about affordable housing as the rest of the city, and some young companies in these sectors — known collectively by the acronym TAMI — are trying to do something about it.

The firms say their out-of-town hires are having trouble finding nests that they can afford and have to share apartments.

That, of course, is nothing new to this city, which has immigrants and workers in both unskilled and semi-skilled jobs filling walls of bunk beds in illegal and unsafe shares.

Rohini Dey, the owner of Vermilion restaurants, for instance, said at a Crain's New York Business panel on Tuesday that she has a worker who is sharing an apartment with seven other people.

Flight attendants sharing units made the Upper East Side famous and broke down barriers for women wanting to move to the big city. Every summer, sprawling mansions in the Hamptons are shared in towns that don't have zoning rules against it. But New York actually has laws against three or more unrelated people sharing an apartment — which must be at least 400 square feet.

“It is a challenge when you are recruiting from all parts of the world and bringing them into New York,” Josh Wise, facilities director for Etsy, said at an Urban Land Institute panel on March 12. The company has “very active” internal email lists whereby employees help one another find housing solutions.

In California's Silicon Valley, the Mercury News reported Facebook wants 2,000 residential units built on a former Prologis site it purchased in February — and to create 1,500 dorms for interns at its own Menlo Park headquarters.

WeWork is also doing more than sharing email tips. A year ago, the office-renting company partnered with Vornado Realty Trust in Crystal City near Washington, DC. They have now proposed adding WeWork offices to a building with 216 WeLive apartments that feature such amenities as herb gardens and arcades.

WeLive is similar in spirit to WeWork's locavore, community-minded authentic office environments that now consume large hunks of 29 office buildings.

In lower Manhattan, WeWork has been creating a similar blend at the Rudin organization's 110 Wall St. Rudin bought roughly 35,000 feet of air rights last summer from the hotel next door. WeWork is using it to flesh out a residential area on the top of the building that will include small apartments but also many community amenities, sources said.

Rudin and WeWork have declined to discuss the project — designed by FXFowle — for the office building rendered vacant by Superstorm Sandy.

“There is evolution needed and where we have to push the envelope, we will,” declared Miguel McKelvey, co-founder of WeWork at the Urban Land Institute program. “I don't know where we will push the envelope because we are not doing anything officially or not,” he insisted. But he wondered: “Are the current rules and regulations correct?”

If they want to produce micro apartments and/or a month-to-month situation with any flexibility that is more commune and hostel than hostile (as Airbnb has discovered), “the zoning has to be changed,” Real Estate Board of New York president Steven Spinola explained.

The Department of City Planning is focused on rezonings in six neighborhoods, including East New York, which director Carl Weisbrod says will be the “poster child” that the department wants to get just right.

The administration will be applying inclusionary housing where there is a change in use, Weisbrod explained at the Crain's forum. "The goal is to promote economic diversity in neighborhoods and not just to promote housing," he added later.

Joseph Sitt paid \$21.63 million on Tuesday afternoon for 98 Morningside Ave., across from the park of the same name and near Columbia University.

The seven-story building has 48 apartments. Sitt has been buying well-located buildings with good bones that he can maintain as rentals rather than converting them. One thing you can bet on: He will fix up this building.

Sitt declined to discuss the deal or his plans for the property.

And as the clock is running out on the 421-a tax exemption program, Citizen Watch Company of America is stepping into the 22,818 square feet on the entire 10th floor of the Hippodrome Building.

Located at 1120 Avenue of the Americas between West 43rd and 44th streets, the space will become the new Citizen Group headquarters for the US, Canada, the UK and Mexico.

William Iacovelli and Mark Raveslout of CBRE represented Citizen while the Cushman & Wakefield team of Gus Field, Michael Burgio and David Berke represented the Edison Properties ownership.