

# Joseph Pell Lombardi, Architect

## LOFTS

*Pioneering in the Urban Wilderness*

-- Title of a 1977 book by James Stratton

### INTRODUCTION

*"He adored New York City. He idolized it all out of proportion. Uh, no, make it he, he, romanticized it all out of proportion".*

--The movie *Manhattan* by Woody Allen

I have always sought out the older, forsaken buildings of New York City. In the 1940s and 1950s, as a child, I observed the then deteriorating residential areas of Harlem. In the 1960s, as a young architect, preservationist and investor, I became immersed in restoring multi-tenant rooming houses back to one family townhouses in the Upper West Side and the Kips Bay/Murray Hill areas of Manhattan. At the beginning of the 1970s, as I began to discover the fading magnificent commercial buildings of lower Manhattan, my focus shifted to converting warehouse and commercial buildings to residential use. At that time, lower Manhattan had hundreds of spectacular buildings which were physically and economically distressed. Like the townhouses of the 1960s, exploring lower Manhattan was the discovery of treasures; behind the beautiful, but dusty and poorly maintained, facades of lower Manhattan were magnificent lobbies, high ceilinged spaces with large windows, top floors with multiple skylights and, often, fully detailed interiors -- it was a preservation architect's dream.

At first there was little competition in the residential conversion field from other architects because it was an off-beat specialty consisting less of conventional architecture and more about preservation, retrofitting, zoning obstacles and building code issues. It was also a waiting opportunity. As a New York architect and a preservationist already focused on creating residences from old, historic buildings, I was in the right place at the right time. My knowledge and understanding of the history of architectural development of Manhattan added to my ability to see opportunity for these architecturally rich, neglected commercial buildings and help pioneer the development of what came to be known as loft living.

Being one of the few architects focused on the intricacies of loft conversions, as the loft phenomena grew, my architectural practice mushroomed. I devoted all of my energies to this type of work, learning everything I could about loft buildings and the districts in which they occurred. I studied the zoning and building code regulations and puzzled out how they could be applied to loft conversions. Like the townhouses of the 1960s, I was often both architect and owner in these endeavors.

In a 40 year span, I witnessed the loft phenomena broaden from fulfilling the needs of economically struggling artists with large, inexpensive, minimally finished live-work studios to supplying luxuriously finished, multimillion dollar, widely popular "lofts". Ultimately, the new names of the lower Manhattan districts, SoHo, TriBeCa, NoHo, Flatiron, Ladies Mile became household names synonymous with this new, vibrant, domestic form.

The popularity of lofts eventually spread throughout the world. In 1970, it was impossible to imagine that 30 years later, in the winter of 2000, lofts would become so popular that I would be asked to collaborate with a Paulistanos architect on a new 16-story residential building in São Paulo, Brazil with open loft-like apartments. It was aptly called "Grand Loft".

## LOWER MANHATTAN

*“Wanted: Woman to sew buttons on the fourth floor.”*  
-- On a New York loft building:

People have been living on the island of Manhattan for at least 10,000 years. The early occupants built their communities in the river coves and inlets, relying upon fishing, farming and hunting for their sustenance. Living relatively lightly on the land, little evidence of this early indigenous population remains.

In 1609, the Dutch established a fort and simple trading post at the southernmost tip of the island. Ringed by shipping activities on the two rivers, there was a central commercial street, which remains as present day Broad Street. Private residences lined the side streets. Rapid expansion began to occur after the island was taken over by the English and, by 1699, the defensive wall at present day Wall Street, which had constricted northern development of the island, was removed.

This new expansion continued throughout the 18th and the early part of the 19th centuries. As in most urban growth, the expanding mercantile needs pushed the earlier residential quarters outward; for the narrow island of Manhattan this meant northward, but development was not without setbacks. During the American Revolution (1775-1783), a massive fire destroyed much of the settlement halting expansion for nearly 10 years. In 1835, another disastrous fire again destroyed much of the city, followed by a financial crisis in 1837 which further slowed development and reconstruction. But in the following decade, rebuilding resulted in the crystallization of the tip of Manhattan as a center of commerce and it became appropriately known as the Financial District.

In the middle of the 19th century, as the Financial District became even more established, the displaced warehouse and factory districts expanded to the north. This greater area, known broadly as lower Manhattan, pushed the residential districts even further north causing the shopping districts to fall out of favor. For the first part of the 20th century, the warehouse and factory districts of lower Manhattan, continued to thrive. In the side streets of these districts, the five and six story 19th century buildings mostly remained, but along the avenues the smaller buildings were largely replaced by 10 to 12 story buildings with elevators.

Following the second World War, New York City's ports began to wane because cheaper labor could be found elsewhere and growing congestion made transportation in the City increasingly difficult. The diminution of New York City's warehouse and factory use followed its decline as a port. Furthermore, rising labor costs caused multistory mercantile buildings to become obsolete due to the inefficiency of moving goods both horizontally and vertically instead of just horizontally in a one story facility.

In lower Manhattan, by the latter half of the 20th century, as mercantile businesses continued to move elsewhere and first floor shops became nonexistent, there were sizeable areas with a wealth of substantially vacant, deteriorating 19th and early 20th century buildings. The buildings had large open spaces for storage or assemblage purposes and, because they had been built at the verge of the electric age, they also had high ceilings and large windows for natural light and ventilation. As was traditional in the 19th and early 20th centuries, all of the buildings had handsomely articulated exteriors with extensive details and fine workmanship. Some of them, built for showroom purposes, also had equally superb interiors. Paradoxically, while the neglected, deteriorating buildings were very inexpensive due to their economic failure, they were typically well constructed and architecturally significant -- reflecting their previous status and economic success.

The upper floors in storage and assembly buildings were called lofts, an ancient word meaning “an upper chamber”. For several hundreds of years, long before anybody thought of them as living spaces, New York lofts were shipping and receiving spaces to and from the ships in the harbor. Beginning in the mid-19th century mercantile loft buildings were also places for the production, storage and sale of wholesale goods. The upper floors of a 19th century loft building were typically the manufactory for a store on the first floor selling the goods made on the upper floors. Since many of the goods were being sold to an upper income shopper, the buildings were designed to reflect dignity and importance with the classical orders being highly favored for

fenestration. With residential areas moving ever north, the retail aspect of lower Manhattan diminished and the buildings became neglected. In the 20th century, loft buildings were less maintained and their location was no longer in a thriving areas. The 19th century phrase “sweat shop” is synonymous with the loft. Sweat shops in New York City are typically for the production of goods in large open areas filled with machines operated by the most recent wave of immigrants to the City.

In the middle of the 20th century, in the heart of the greatest city in the world, stood substantially empty districts containing some of the most architecturally distinguished 19th and early 20th century buildings in the world, for sale at a fraction of their replacement cost. Confined Manhattan is too valuable to have for too long waning districts with fine under-used, low-priced buildings. The districts were too close to thriving districts and the buildings were too architecturally significant and substantial to be permanently in disfavor. In the last quarter of the twentieth century lower Manhattan reinvented itself by discovering new uses for these buildings and their declining districts.

## LOFTS -- THE BEGINNING

*“who sat in boxes breathing in the darkness under the bridge, and rose  
up to build harpsichords in their lofts,”*

Howl by Allen Ginsberg 1955

The conversion of manufacturing lofts to residential use in New York City began in the 1950s when artists first began to illegally occupy loft buildings in the loft districts of Lower Manhattan and the Brooklyn waterfront. The word “loft” used in a residential context almost assuredly had its origin in New York City.

The early lofts were large, high-ceilinged, inexpensive, unheated spaces with grand windows rented by artists to satisfy the artists’ needs for studios for the creation of art. With the few added amenities of a hot plate, refrigerator and a bathtub or shower, the lofts became an inexpensive living space as well. The commercial stove also first found its way into residential use at this time. In lower Manhattan, the nearby Bowery was the home to establishments selling used restaurant equipment. It was popular amongst early loft dwellers to buy on the Bowery large, old, inexpensive restaurant stoves resulting in lofts with culinary equipment to handle any cooking challenge. The advantages of lofts for artists heavily outweighed any inconveniences. The antiestablishment combination of living in a work space with functions overlapping in one large open space created a particular style of living for these early loft occupants with the occupant typically making improvements at his own expense, often with his own hands. All designed and handcrafted to fit the artists’ own design.

However, living in a work space was illegal, being contrary to the New York zoning and building codes. The districts in which this early phenomena occurred were, for the most part, not zoned for residential use. The buildings themselves typically did not comply with the rules and regulations of the Department of Buildings because their original purpose did not require residential standards for egress, light and ventilation. The early occupants were usually rent paying tenants, so the illegal use was a violation that fell to the owner of the building. With the city-wide decline in manufacturing use, landlords were eager to rent to anyone and if they were artists intent on also living in the space, the landlords simply turned their backs on the illegal use. For the most part, landlords rarely took steps to legalize their buildings for residential use and the occupants, as tenants, did not have the authority to change the legal use of the buildings they occupied.

In the 1960s, organizations began representing the common interests of loft dwellers. The first organization, the Artists’ Tenants Association (ATA), was comprised primarily of tenants who wanted protection for their illegal tenancy, but did not want rezoning fearing that rezoning would lead to higher rents. In response to the eviction of artists by the Department of Buildings, in 1961 ATA convinced the city to establish a short-lived Artist-in-Residence (A.I.R.) program. The artists had pressured the City by threatening to withhold

their art from exhibition at museums and art galleries. The A.I.R. program limited occupancy to two artists per loft building and it required an inspection by the Department of Buildings for safe egress and the placing of a sign on the building's exterior to alert the Fire Department that the building was occupied. The A.I.R. program required the artists to register their occupancy with the city. However most artists, not trusting the city, did not register their occupancy, preferring to keep their occupancy secret. The A.I.R. program was short lived, ending in 1963.

In 1964, the New York state legislature passed an amendment to the state Multiple Dwelling Law entitled Article 7-B. Article 7-B defined the physical requirements for legalizing loft buildings for residential use. The amendment made it possible to fit residential requirements, such as rear yard sizes, width and type of stairs, use of fire escapes and other health and safety issues into the prevalent characteristics of loft buildings. Article 7-B was enormously helpful in providing the first minimum standards for loft living, but it did not overcome the underlying zoning issues facing almost all loft buildings which typically were in zoning districts which did not permit residential use.

The SoHo Artists' Association (SAA) was established in 1968. SAA was primarily comprised of loft dwellers in the early SoHo co-ops who favored rezoning to protect their investment. SAA and another coalition of artists called the Artists Against the Expressway (AAE) successfully helped fight off the proposed Lower Manhattan Expressway which would have cut through the middle of SoHo, destroying most of the present SoHo Cast Iron District.

In 1971, SoHo became the first loft district to be rezoned by the City Planning Commission, followed by NoHo and TriBeCa in 1976. The rezoning established a new type of "use" called Joint Living-Work Quarters for Artists (JLWQA) which permitted artists "certified" by the Department of Cultural Affairs to live and work in the upper floors of buildings with small footprints. Artists who were already occupying buildings with large footprints were allowed to stay. The rationale was that buildings with small footprints (3,600 square feet with frontage on Broadway and up to 5,000 square feet elsewhere in SoHo, NoHo and TriBeCa) were considered less suitable for industrial use. The certification by the Department of Cultural Affairs was limited to artists "engaged in the fine arts", "demonstrating a serious, consistent commitment" who could "demonstrate a need for a large loft space in which to create". Many artists objected to the requirement of being certified as an artist, but the rezoning certainly provided reasonable solutions to some of the zoning issues.

Similar to the issues with converting loft buildings to residential use, the 1971 rezoning also prohibited retail uses, including art galleries and restaurants, except in buildings with footprints less than 3,600 square feet located in the nine square blocks south of Houston Street, east of West Broadway, north of Broome Street and west of Mercer Street. In the other thirty five blocks, including all of NoHo, retail, gallery and restaurant uses were prohibited. The prohibition remains to this day. Clearly JLWQA conversions necessitated stores, restaurants and art galleries; their prohibition borders on the bizarre.

In 1975, J-51, an existing real estate tax program to encourage renovation in the City, was extended to loft conversions. The J-51 program provided a 12 year exemption from increases in the assessed valuation (building value for taxation purposes) of buildings which would have increased because of the renovation, and up to a 20 year forgiveness period of property taxes in an amount equal to 90% of the renovation costs. The J-51 program required rent stabilization, which controlled rent increases. Since rent stabilization had no impact on buildings being converted to cooperative ownership, it was a bonanza for loft conversions to residential co-op ownership.

An organization called the Lower Manhattan Loft Tenants (LMLT) was established by loft tenants in 1978 in response to landlords who were evicting them despite the fact that the loft tenants had improved their spaces at their own expense. The LMLT membership grew rapidly. To assist the plight of the loft tenants, New York State established the Loft Law, a program to legalize properties with loft tenants. The Loft Law gave rights and responsibilities to both landlords and tenants. Landlords were required to bring their loft buildings

into compliance with residential codes within three to five years, but allowed them to collect rent while doing so. Once legalized, the loft apartments would come under rent stabilization, with landlords being entitled to pass along most of the cost of their legalization work to tenants in the form of temporary rent surcharges to be implemented after obtaining a certificate of occupancy.

Loft tenants were granted a one-time right to sell, at market value, the original fixtures and other improvements that they had installed at their own expense, thus giving an opportunity to tenants to recapture the expense of their improvements.

Finally, the Loft Law established the New York City Loft Board to resolve disputes between tenants and landlords and to work with them to help facilitate bringing buildings up to code before a ten-year expiration date. Initially the Loft Law was heavily challenged in the courts by the landlords, who saw their buildings being subjected to strict rent regulations as a seizure of their property, but the courts upheld the law. The legalization deadlines were extended several times and even today, a large percentage of the buildings still have not been brought in compliance. Nonetheless, legalized or not, the Loft Law currently protects approximately 10,000 tenants living in New York City loft buildings.

The New York City Landmarks Preservation Commission began designating the lower Manhattan loft districts beginning with 26 blocks of SoHo in 1973; followed by Ladies Mile in 1989; TriBeCa in 1992 and NoHo in 1999.

The 1973 designation of SoHo as a landmark district coupled with media articles about lofts began to bring wide-spread notice to the loft phenomena. In 1974, New York Magazine called SoHo the “most exciting place to live in the city.” The silent, secret artist lofts began to become less hidden and, suddenly, lofts were the rage. In 1978 a tourist guide to SoHo was published listing 85 art galleries, 15 restaurants and 65 shops, yet most residential occupancy was still illegal.

In 1981, the City Planning Commission approved a further zoning change establishing relocation benefits for displaced business tenants and restricting 72 million square feet of loft space from conversion to living lofts (and offices).

With the increased attention, loft living became increasingly more difficult to conceal. In 1981, the Mayor’s Office of Loft Enforcement (MOLE) was established to ferret out and prosecute illegal loft residents in lower Manhattan. The MOLE employees, known un-affectionately as “Moles”, would forage at night, looking for lights in buildings and jotting down addresses and names on door buzzers. Once discovered, violations would be issued for illegal living pushing landlords to legalize their buildings. In cases where the building was owned by loft dwellers, they were forced to pool their resources to make their building code compliant.

Even though the regulations haven’t changed that prohibit retail uses in large swaths of Soho, SoHo has become so famous, as an international shopping center and destination, that its streets are clogged and the rents compete with the best retail streets in Manhattan.

The loft movement was, like most things in New York City, subject to many opinions and positions. I’ve read in accounts of the time, that the city had a laissez-faire attitude, but that was not my experience. All of the residential conversions and retail uses I have worked on, right up to the present, were and are a great struggle to achieve. Even the smaller buildings with less constraints are difficult because variations in existing buildings make it difficult to fit into the mold of the zoning and building codes. New York City is unique in having manufacturing districts in the central city. The clinging to the notion that buildings suitable for manufacturing need to be preserved for returning manufacturing is a tired myth. Yet, every conversion is a test of the zoning regulations and the New York building codes with every nuance of their complex, and often multiple, meaning being weighed.

The open space concept continues to characterize the lofts of today, though the majority are no longer artist work/live spaces. Present day lofts are typically fitted out with every amenity imaginable, cost in excess of a million dollars and are inhabited by people from every walk of life, yet they are still considered a somewhat Avant-garde style of living. The best of the lofts continue to avoid becoming fully domesticated

by retaining characteristics not found in conventional apartments. Their vocabulary is large open spaces with columns not imbedded in walls, exposed sprinkler systems, oversized elevators opening directly into the unit, high ceilings with exposed beams, industrial type wood floors and units that run through the building with exposures both to the street and the rear yard.

Forty years ago, the underground off-beat nature of the downtown art scene was stylish, attracting rich and famous visitors. The quiet nighttime streets of downtown would have the seemingly incongruous celebrity and art-patron limousines in front of rundown, semi-occupied beautiful old buildings. A late night, crowded party in a vast, high ceilinged loft accessed via an oversized manual freight elevator was the place to be and to be seen. Black clothing was *de rigueur*, loud music, a strobe lit dance floor and a wandering video cameraman rounded things off. The partygoers were artists, celebrities, models, art dealers and art patrons. The romanticism of the early loft movement still lingers albeit the beautiful buildings are now fully restored and the partygoers are more typically stock brokers, bankers, lawyers and hedge fund managers.

## GETTING READY

*"But I'll know my songs well before I start singin'"*

*A Hard Rain's A-Gonna Fall* Bob Dylan Summer 1962

Prior to the rezoning of the loft districts, the obstacle to all early residential conversions began with zoning problems. Loft buildings were almost always in zones which did not permit residential use. Residential use was only permitted in such zones by a variance of the zoning regulations. In New York, this is a complex procedure through a court-like agency known as the New York City Board of Standards and Appeals (BSA).

An important step in advancing the pioneer loft movement was having the ability to navigate through the zoning code. A basis for granting a variance of the zoning regulations is that the permitted uses in a building are ill-suited for a viable economic return. Loft conversions were ideal candidates for proving the need for a zoning variance at the BSA. The lower Manhattan districts contained primarily buildings with open lofts limited by zoning to manufacturing and office uses. But, manufacturing uses were dwindling, office uses were not appropriate for much of Lower Manhattan and manufacturing and office uses were adversely impacted by the recessions of the late 60s and early 70s. An excellent case could be made at the BSA that buildings built for manufacturing uses which were restricted by zoning to nonexistent manufacturing and office uses had a true hardship. The case could be further made that the characteristics of the buildings were highly suitable for a living loft which, through a variance, could provide a viable economic return. Further to the strength of the BSA case was the fact that many of the applications concerned buildings that had recently failed economically, many having gone through foreclosures, been acquired by the banks and resold at a loss by the banks.

Applicants to the BSA were usually represented by a lawyer, but my early shoe-string loft conversions could not afford a lawyer. My father had presented cases to the BSA and, through his guidance and my perseverance, I developed the necessary skills to obtain zoning variances from the BSA in the early 1970s. It was highly unusual for a young architect to practice in front of the BSA, but my father counselled me. He advised that of the five BSA commissioners, it was required that there be an architect, a planner and an engineer and that these fellow professionals would respect an applicant who is an architect.

Prior to making my presentation, I prepared myself by going to hearings to watch what others were doing, to see how cases were presented, how the commissioners reacted and how they were addressed. As a young architect unaccompanied by a lawyer, I was a novel and refreshing sight for the BSA commissioners. Soon, the regular zoning lawyers noticed my frequent appearances and began giving me well-appreciated pointers. Since my loft cases were an unusual subject, they considered me as more of a curiosity than a competitor. Even though my loft conversion cases were logical, I had to work hard to hone my skills to present a compelling argument. The skills, developed in the more than sixty cases which I successfully presented to the BSA, continue to be useful to this day and give me an expertise that few other architects have.

Most loft buildings were in historic districts protected by the regulations of the New York Landmarks Preservation Commission. Since I had presented to the Landmark Commission in the 1960s during my townhouse stage, the required procedures of presenting and obtaining approval of the Landmarks Preservation Commission was a routine for me not a new obstacle. Being both an architect and preservationist with a Masters Degree in Historic Preservation, I was not only familiar with the Landmark Commission's principles, I was a disciple. In my mind, the recognition of the architectural significance of loft buildings added to their worthiness for reuse.

Additionally, the New York City Department of Buildings has a procedure in which a difficulty in conforming to the law because of an existing, unique condition can be reconsidered and an interpretation of the zoning regulations and building codes can be applied to the particular condition. Typically the interpretation is granted by the Department of Buildings substituting an alternate, but more feasible, approach such as allowing the installation of a special sprinkler system in an existing undersized stairway which would need reconstruction to comply. Having presented a wealth of interpretation requests over the years gave me an expertise as to what would be permitted in particular conditions and the ability to cite these as precedents in subsequent conversions. Each reconsideration I obtained, increased my ability to obtain approval for the next project.

Finally, because loft buildings were often financially failed buildings, they involved complex real estate issues. I developed skills in real estate with courses at Columbia University and by attending the New York University Real Estate Institute.

In 1971, I began to work, on a free lance basis, for Helmsley-Spear. At that time Helmsley-Spear, under the driving force of Harry Helmsley, was the largest real estate firm in the city and principals of the firm owned a significant number of commercial loft buildings south of 34th Street. In the 1970s, most of the commercial loft building holdings were economically distressed because of declining manufacturing use aggravated by the recession of 1969-1971. My thinking was to convince the Helmsley-Spear principals of the efficacy and value of converting their buildings to residential use and, in exchange, obtain architectural commissions doing the conversions for them, obtain a financial interest in the deals for my ideas and to learn, first hand, the practical aspects of the real estate business. There were benefits for both of us. Helmsley-Spear gained an introduction to loft-living as a solution to a number of their distressed loft buildings. I, in turn, learned exactly what I hoped I would learn from Helmsley-Spear, the mechanics of large-scale real estate deals, the ins and outs of the brokerage business, and, as an added bonus, I made lifelong invaluable business acquaintances for the years to come.

For several years I balanced my architectural consultation business with my work for Helmsley. A fear I had that I would totally forsake my architectural skills for real estate never materialized and, as my development activities increased, I happily meshed the two disciplines and continued to be an architect-investor.

I had started my career as a restoration architect working on historic townhouses and becoming familiar with Landmarks Preservation Commission presentations. By developing the ability to obtain zoning variances at the Board of Standards & Appeals, obtaining an education in real estate, gaining the expertise to process code interpretations at the Department of Buildings and gaining practical skills the real estate business, I gave myself further tools to play a major role in loft conversions.

## Lofts 1970s

*“a land full of hazards, true pioneer stuff: instead of Indians, there were fire inspectors, instead of cowboys, artists; and no one knew where to put his trash.”*

SoHo: Laurel Delp of the SoHo Weekly News in 1975

In the 1970s, bank financing was not available for the acquisition and conversion of lower Manhattan's

loft buildings because approval for residential use was unsure and it was difficult for bankers to understand why someone would want to live in a distressed, run down building in a seemingly failed district. Everything needed to be self-financed without banks. Each step was a hurdle: the cash for the contract, enough people and money to take title, and the further money needed for the building infrastructure.

Adding to the financing problems was the pessimism of the 1970s generated by the continuing race riots, the Kent State shooting, a severe recession, the Oil Crisis, Watergate, Nixon's resignation, the painful end of the Vietnam War and New York City's near bankruptcy.

In the midst of the economic and social chaos of the 1970s, loft buildings were purchased by groups of like-minded individuals or developer/sponsors. Either way, buildings were typically bought with the seller accepting only a portion of the purchase price in cash with the balance in the form of a mortgage called a Purchase Money Mortgage. In fact, sellers were often the previous lender, having gained ownership through foreclosure after the economic failure of the building.

The loft spaces were then bought as "raw space" with the purchaser putting money in escrow for upgrading the central infrastructure and common areas. Raw space meant that a buyer would receive the space in an as-is condition with no improvements other than an electrical panel box and basic plumbing lines. There were no bathrooms or kitchens. Buyers would then design their own interiors in accordance with their individual taste and budget. It permitted freedom of design and allowed purchasers to pace and quantify the work based upon their budgets.

Purchasers of raw space with funds could build-out fully finished spaces, but more typically lower Manhattan occupants moved into unfinished lofts by simply installing a hot water heater, a used cast iron tub, the emblematic used restaurant stove and a second hand fridge. It was improvisational and analogous to buying raw land in a subdivision, pitching a tent and then building your house by hand as time and money permitted.

The raw space concept contributed greatly to the advancement of the conversion of lofts to residences. The concept was both practical and innovative. As owners continued to apply their creativity and ingenuity to these blank canvases, the status of lofts quickly rose. Open raw space lofts fit neatly into the theology of the Modernist architects of the mid-twentieth century. One can easily draw comparisons between open flowing loft living with the work of Mies van der Rohe and Le Corbusier.

Raw space was also marvelously affordable. In the 1970s, buildings could be bought for \$5/square foot (like your SAT scores, you never forget numbers like that). A reserve fund of \$5/square foot would be established for infrastructure improvements such as plumbing risers, electrical service and the upgrading of elevators and heating systems. The building could then be resold as individual raw space co-op units for \$15/square foot with a \$5/square foot mortgage held by the sponsor. A 2,000 square foot loft would sell for \$30,000. The \$15/square foot sales price covered the \$5/square foot acquisition cost, the \$5/square foot common area reserve fund for infrastructure improvements and \$5/square foot for soft costs such as legal, architectural, and the co-op offering plan. The remaining \$5/square foot mortgage held by the sponsor was the profit. Once the building became operational and obtained a certificate of occupancy, the sponsor's hope was to replace his mortgage with a bank mortgage.

The buildings were generally magnificent, inside and out, because they had started life as high-end retail buildings with the lower floors being used for sales and showrooms and only the very upper floors for production of goods. The typical SoHo first floor had finely-detailed, classical capitals atop cast-iron columns with beautifully decorated cast iron radiators encircling the columns. The windows frames, doors, door trim and transoms were of golden oak and the ceilings had decorative plaster trim, ceiling medallions for the gas fixtures and cove moldings. Broadway had the most extraordinary buildings because Broadway had been considered the best shopping street, home to the grandest stores.

There was also true discovery. Prior to the Landmarks Preservation Commission designation reports and architectural guide books, the history of the buildings and their interior treasures were obscure, there was no ready reference to consult. It was extraordinarily exciting researching and learning of the origins of the



grand buildings of lower Manhattan and discovering their magnificent lobbies and beautiful interiors.

The majority of the loft buildings were built on the standard 25' x 100' New York City lot. With an approximately 10' rear yard and a stair case and elevator, each floor had approximately 2,000 net square feet, an excellent size for living and working. The ceilings were invariably high and each floor had an elevator that opened directly into the unit and a staircase. With only one unit per floor, there were no shared hallways, and all were double-exposure units with windows facing onto both the street and the yard in back. This description, to a great extent, generally defines the word "loft."

With wider buildings, many architects installed corridors to serve multiple units on a floor. I preferred keeping the loft characteristic by installing elevators which opened in two directions so that a 50' wide building would have a 25' wide loft on each side with each loft extending from the street facade to the rear yard. Thus, the desirable direct access elevator and exposures in two directions were maintained. For even wider buildings, I installed multiple cores.

As the official architect, I laid out the divisions between the units, specified the upgrading of the infrastructure and obtained the necessary approvals of the city agencies, but I only designed some of the interior layouts in each of these early conversions. For their own space, the unit owners could execute their own design or hire a designer, an other architect or me. Instead of cookie-cutter apartments, where somebody else decided how one would live, raw space gave owners the ability to create their own design; an unheard of freedom for urban dwellers of modest means.

Many of the raw space conversions not only delivered the space as-is, most were still in the process of seeking a variance to permit residential use, so the use was also as-is. City and state officials were generally opposed to raw space conversions because of the uncertainty of residential use and the potential pitfalls if the developer/sponsor failed to complete the infrastructure and common areas after closing. Even though the co-op offering plans required a developer/sponsor to fully disclose the need for residential approval and the raw space procedure, the concern was that approval for residential use would not be granted and a developer would walk away from his obligations to complete the infrastructure and common areas. Bold capitalized warnings were required to spell out the potential pitfalls.

In light of these strict warnings, cautious lawyers talked many clients out of buying the early raw space lofts, but those that did buy wound up with incredible space that rapidly appreciated in value as lofts became more and more popular. While there were the usual delay problems and workmanship issues, the enormous rise in value offset the headaches, and I do not know of any conversion which didn't get residential approval nor do I know of a sponsor walking away from his obligations.

## LOFTS 1980s

*"Come mothers and fathers  
Throughout the land  
And don't criticize  
What you can't understand  
Your sons and your daughters  
Are beyond your command  
Your old road is rapidly agin'.  
Please get out of the new one if you can't lend your hand  
For the times they are a-changin'."*

*The Times They are a-Changing* Bob Dylan January

Although I always prevailed, the early cases were not easy. The city officials and the local community boards believed that reusing empty manufacturing buildings for residential use would eliminate buildings

suitable for manufacturing thus adding to the decline of manufacturing in New York City and its associated jobs. Even in the districts that had long been abandoned by industrial tenants there was opposition.

A further obstacle was that most members of the local community boards did not understand why anyone would want to live in manufacturing zones. They were concerned for living standards in the mixing of manufacturing uses with residential inhabitants and the lack of services, such as schools and shopping. Lofts were a completely new idea and many of the concerns were valid. But the buildings prevailed because, though failed, empty and inconveniently located, they were beautiful, solidly built and they contained extraordinary interior space readily adaptable to residential use. The idea of living and working in the same neighborhood—much less in the same physical space as in a loft—was foreign. Much of this was because it simply had not yet been done.

Once I legalized my first few buildings, word got around that I was not only an architect, but one who recognized the potential in many of the city's uninhabited buildings. The newspapers, too, started noticing my efforts in lofts. As articles appeared identifying lofts as my specialty and my success in obtaining zoning variances, my phone began ringing. The New York Times was particularly favorable to bringing life back to Lower Manhattan and frequently quoted me, thus adding to my exposure.

From the onset of my career, I had been both an architect and a real estate investor. Like my townhouse activities in the 1960s, in exchange for discovering projects, providing the architectural services and obtaining the necessary approvals I found investors for the loft development projects. My development skills benefited both my development partners as well as my clients where I served only in the role as architect; to both, I provided the latest development strategies and legalization possibilities.

## LOFTS 1990-2012

*I'm in a New York state of mind.*

-- Billy Joel song: *New York State of Mind*

At first, zoning variances at the Board of Standards & Appeals were the only way to obtain approval for residential use in districts not zoned for residential use. But in 1997 the City gave greater recognition to the Landmarks Preservation Commission by giving them authority to assist an owner in getting a special permit from the City Planning Commission to allow a change of use in a building in a landmark district if there was a preservation purpose. The section, known as Section 74-711 of the New York Zoning Regulations, fit the loft situation perfectly. The extraordinary buildings of lower Manhattan needed conservation and restoration which could only be afforded if economic viability could be restored. Economic viability could not be achieved through nonexistent manufacturing use, but the newly emerging residential use for the aging loft buildings could provide the economic viability to pay for conservation and restoration. Section 74-711 allowed conversion to residential use for logical reasons. I completed my first project utilizing Section 74-711 in 1994. Since almost every building I work on is in a landmark district, conversions having zoning issues are now mostly done through the somewhat simpler special permit procedure instead of a zoning variance at the Board of Standards & Appeals.

Although the first conversions provided large economic living-work loft spaces for artists and aficionados of historic buildings, prices soared as lofts became more fashionable. Eventually the value of lofts rose to a level which made new construction in the loft districts economically feasible. Districts went from having existing buildings with a value which was a small fraction of their replacement cost to a value which justified new construction on vacant lots. Since the districts were mostly designated landmark districts, the new in-fill buildings needed the approval of the Landmarks Preservation Commission. The creation of appropriate in-fill buildings in historic districts is very challenging. The new buildings need to be contextual without pretending to be an old building. Their newness needs to be apparent, yet they must comfortably coexist with their old

neighbors.

Loft opportunities continue in both good and bad economies. In the strong economy, high-end conversions are plentiful and new in-fill buildings are justified. During recessions, the value of commercial buildings decline, permitting less costly residential conversions. Because of this, the momentum in my office is relatively stable.

By the end of the first decade of the 21st century, in addition to a dozen in-fill buildings, my office had converted to residential use over five million square feet of space in over 150 commercial buildings in lower Manhattan. For many decades I've been asked, "what is the next step after lofts?" While, I have clear thoughts about a "next step", now being worked on in two projects, the fact is that in any block in lower Manhattan there remains a half dozen buildings suitable for residential conversion, more than enough for another 45 years.