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Affordable Housing in CD8 A Discussion

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In 2024, I summarized how affordable housing changed in CD8

- We first looked at rent stabilized housing

Community District	Change in Rent Stabilized Units 2007-2022		
	Increase	Decrease	Gain/Loss
8 (UES)	1,654	18,098	-16,444
7 (UWS)	4,111	19,553	-15,442
12	2,748	15,807	-13,059
3	3,253	11,283	-8,030
2	1,472	7,683	-6,211
6	5,405	10,483	-5,078
9	1,852	6,739	-4,887
5	2,678	6,170	-3,492
10	4,111	5,531	-1,420
11	5,796	4,535	1,261
1	4,504	2,565	1,939
4	12,424	9,357	3,067
Totals	50,008	117,804	-67,796

- Manhattan gained 50,008 RS units, while it lost 117,804, a net change of -67,796 RS units
- Community District 8 gained only 1,654 RS units while it lost 18,098, for a net loss of **16,444 RS units** during this period
- This is the highest net loss among Manhattan CDs, followed closely by CD7

But remember: Not all RS units are affordable!

- At a Community Board meeting in 2024, DCP told this board that CD8 lost no affordable housing
- DCP's definition of affordable housing is "income-restricted" housing
- Income-restricted (IR) housing requires a HPD lottery, and by DCP's definition, CD8 had not lost any affordable housing because most stabilized units in CD8 are not IR

Even using DCP’s definition, CD8 is under performing

- NYC Open Data regularly updates the number of IR units constructed and preserved since 2014
- CD8 has 4% of the Manhattan total new construction IR units over the period

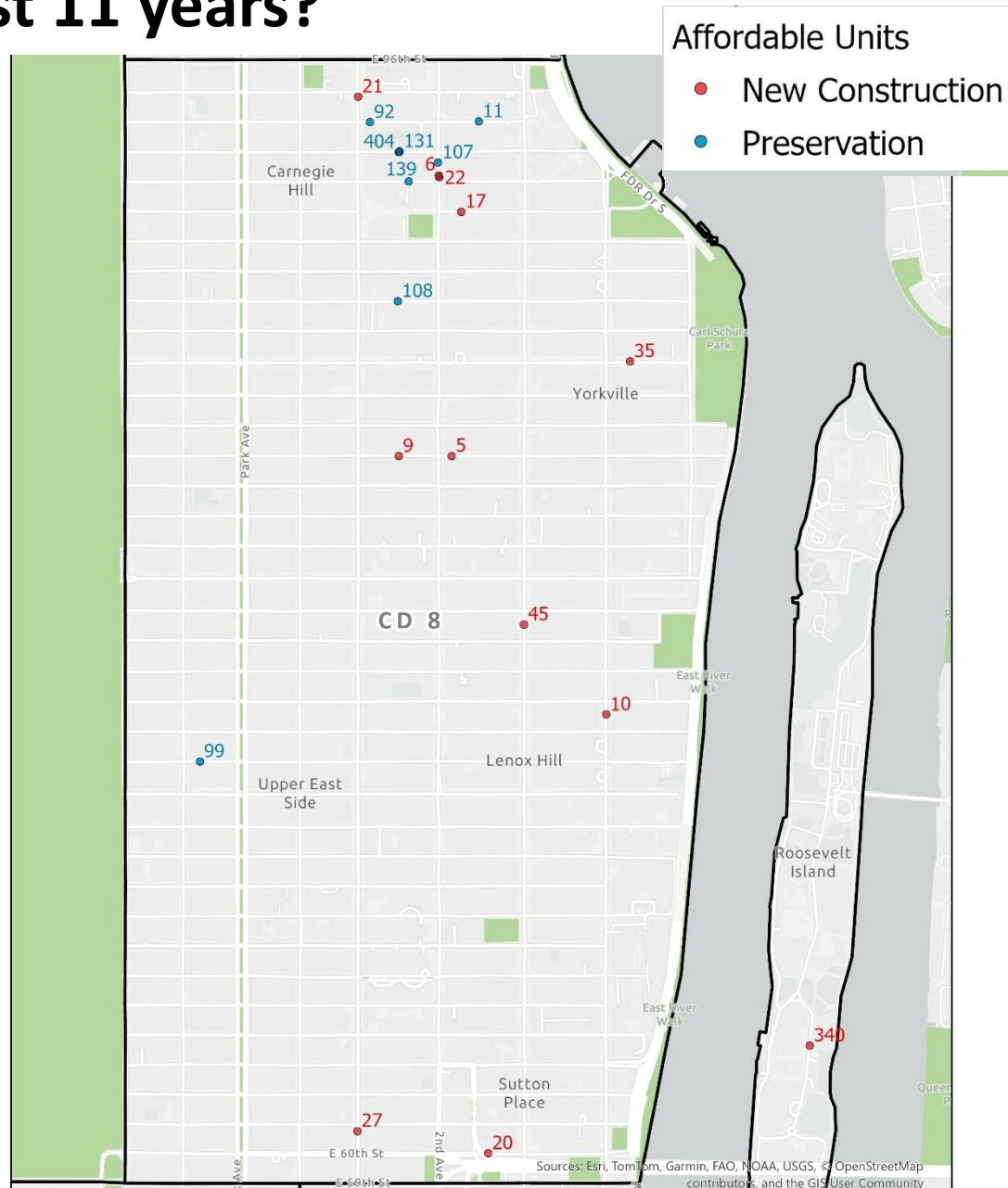
Community District	New IR units	Share of Manhattan
4	2,953	21%
11	2,416	17%
12	1,713	12%
3	1,596	11%
10	1,533	11%
6	761	5%
1	685	5%
7	663	5%
8	559	4%
5	399	3%
9	363	3%
2	299	2%
Manhattan total	13,940	100%

When it comes to preservation, CD8 does worse

- CD8 has 2% of the Manhattan total preserved IR units over the period
- Places that have a lot of IR housing see more of it preserved

Community District	Perserved IR units	Share of Manhattan
11	11,676	23%
10	9,204	18%
3	7,041	14%
6	5,879	12%
4	4,326	9%
12	3,427	7%
7	3,304	7%
9	3,100	6%
5	1,196	2%
8	1,091	2%
2	324	1%
1	87	0%
Manhattan total	50,655	100%

Where are we seeing IR housing preserved and developed over the past 11 years?



This is all of them:

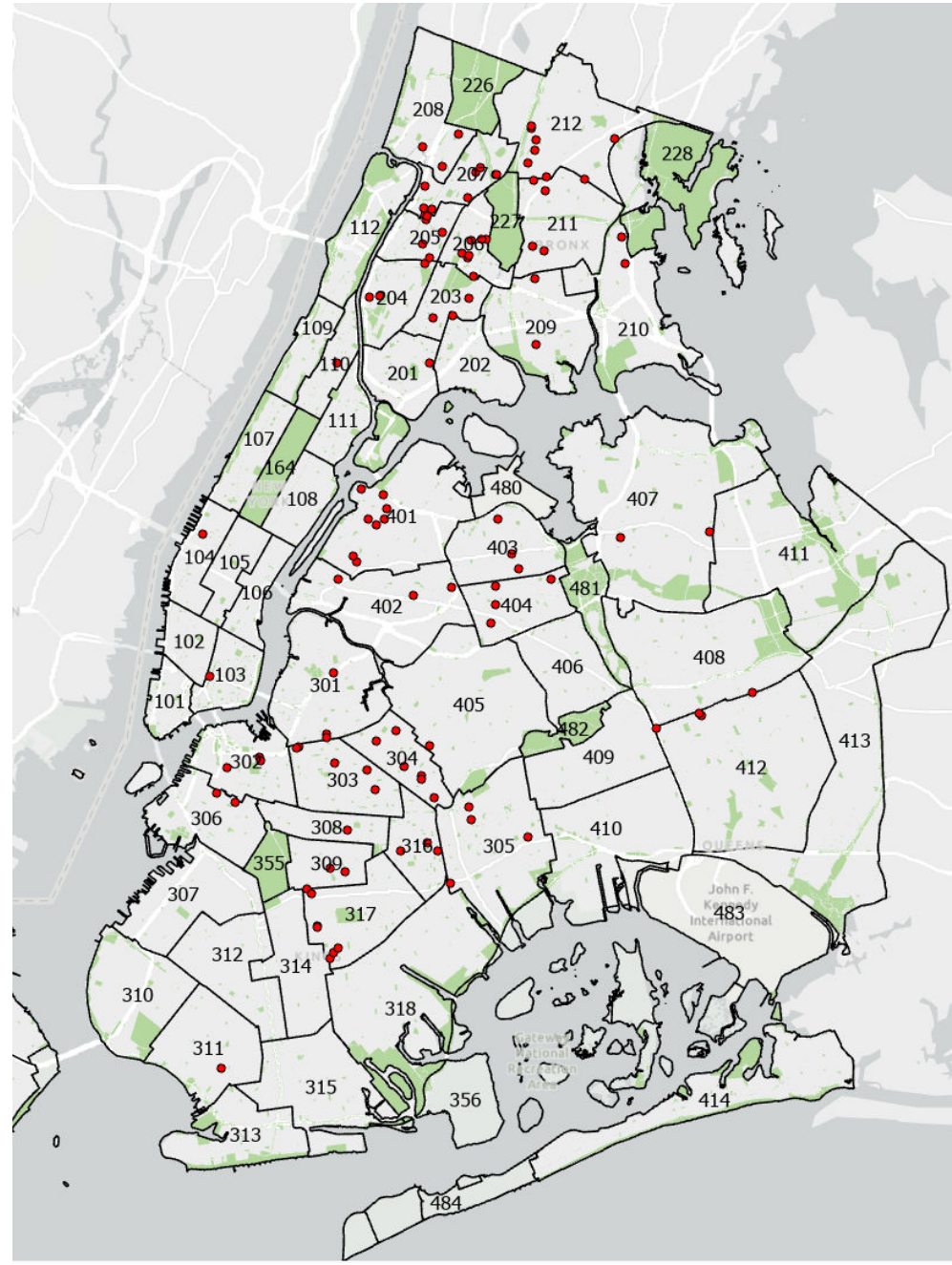
Name	Start date	Number	Street	Type	IR Units	Pct IR	Total Units	Tax benefit
321 East 60th Street	2015-06-30	321	EAST 60 STREET	New Construction	20	95%	21	Article XI
1766-68 SECOND AVENUE	2015-09-30	1766	2 AVENUE	New Construction	22	100%	22	421a
1766-68 SECOND AVENUE	2015-09-30	1768	2 AVENUE	New Construction	6	100%	6	421a
CONFIDENTIAL	2015-11-24		----	New Construction	1	100%	1	
316 EAST 91ST STREET	2016-10-26	316	EAST 91 STREET	New Construction	17	94%	18	Article XI
1402 YORK AVENUE	2017-05-23	1402	YORK AVENUE	New Construction	10	91%	11	Article XI
505 EAST 86TH STREET	2018-02-16	515	EAST 86 STREET	New Construction	35	25%	140	421a
200 EAST 95 STREET	2018-03-16	1693	3 AVENUE	New Construction	21	20%	104	421a
RIVERWALK 8	2018-12-18	460	MAIN STREET	New Construction	341	100%	341	
300 EAST 83RD STREET	2022-06-10	300	EAST 83 STREET	New Construction	5	7%	70	421a
CONFIDENTIAL	2022-10-07		----	New Construction	1	100%	1	
250 EAST 83 ST	2022-12-07	250	EAST 83 STREET	New Construction	9	7%	128	421a
1026 THIRD AVENUE	2023-11-16	1026	3 AVENUE	New Construction	27	25%	108	421a
MAISON78	2024-12-09	1487	1 AVENUE	New Construction	45	31%	146	421a
Carnegie Park	2014-05-14	200	EAST 94 STREET	Preservation	92	100%	92	420c
RUPPERT HOUSE	2018-06-27	235	EAST 92 STREET	Preservation	139	100%	139	Article II
RUPPERT HOUSE	2018-06-27	222	EAST 93 STREET	Preservation	405	100%	405	Article II
RUPPERT HOUSE	2018-06-27	1779	2 AVENUE	Preservation	108	100%	108	Article II
345 EAST 94TH STREET APARTMENTS	2021-02-09	345	EAST 94 STREET	Preservation	11	5%	208	421a
YORKVILLE GARDENS.HUDMF.FY23	2022-12-15	225	EAST 93 STREET	Preservation	132	100%	132	Article XI
JAMES LENOX HOUSE	2023-04-20	49	EAST 73 STREET	Preservation	99	99%	100	
230 EAST 88TH ST CORP.PLP.FY23 (RO	2023-06-29	230	EAST 88 STREET	Preservation	109	100%	109	Article II

New York recently passed new regulations to encourage IR housing

- 485-x was passed in April 2024, but its rule-making was finished in December 2024
- Also in December 2024, we passed City of Yes, which provided zoning floor area increases to buildings with affordable housing
- There are early indications that these changes may be producing some affordable housing

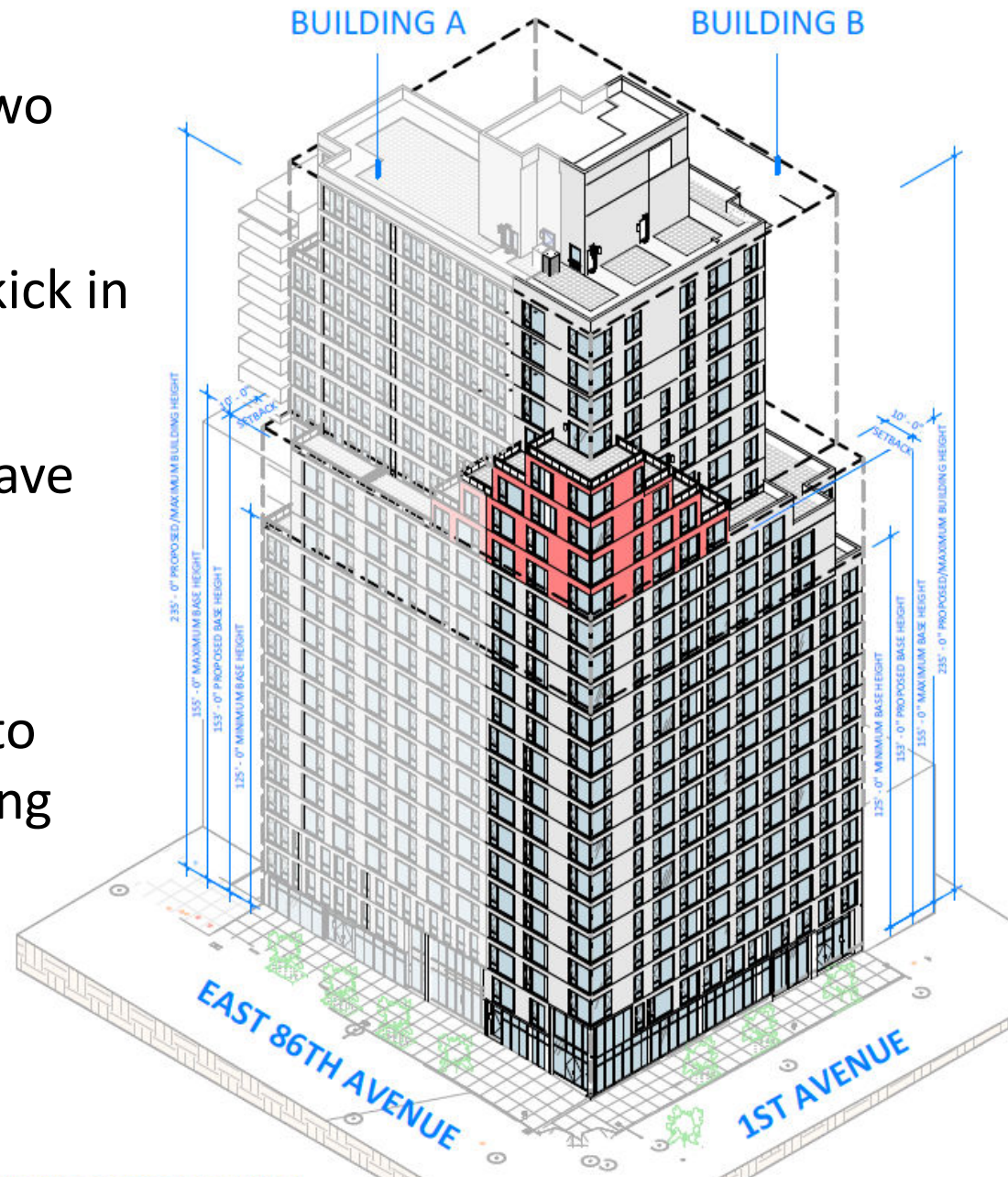
HPD has announced that citywide:

- “118 Buildings Representing Roughly 2,600 New Homes Have Shown Intent to Apply for the 485-X New Construction Tax Incentive Program”
- Just **three** of those 118 buildings were in Manhattan and **none** on the UES
- This is following the pattern predicted in the 2024 COYHO process



But there are some projects in the pipeline, not in the data

- 1655 First Avenue (at 86th Street) is approved with two buildings at 99 units each
- 485x wage requirements kick in at 100 units
- This building cluster will have two elevator banks, four stairways
- Lesson: Market responds to incentives, if they are strong enough



The focus of the new IR incentives is new development

- 485-x is for new multiple dwellings
- UAP is most easily applied in new multiple dwellings
- But most of the affordable housing we have is already here
- What can be done to better preserve existing affordable housing?

There are many incentives for IR housing

- But only a few are used widely

Low Income Housing Tax Credits (LIHTC)

Tax credits for new construction or rehab projects with low-income set-asides.

420-a

Complete tax exemption for HDFO-owned housing with on-site social services.

420-c

Complete or partial tax exemption for low-income housing developed with tax credits.

421-a

Partial tax exemption for new multiple dwellings

421-b

Partial tax exemption for new construction or substantial rehabilitation or owner-occupied one- and two-family homes.

421-g

Tax exemption and abatement for conversion of commercial buildings to multiple dwellings in downtown Manhattan.

467-m *NEW*

Affordable Housing from Commercial Conversions - partial tax exemption for affordable housing in new multiple dwellings created from commercial conversions.

485-x *NEW*

Affordable Neighborhoods for New Yorkers - partial tax exemption for affordable housing created in new multiple dwellings.

Article XI

Tax exemption for HDFO-owned new construction or rehabilitation.

J-51

As-of-right tax exemption and abatement for residential rehabilitation or conversion to multiple dwellings.

J-51 Reform *NEW*

As-of-right tax abatement for residential rehabilitation of multiple dwellings.

UDAAP

Tax exemption for rehabilitation or new construction of housing in UDAAP areas.

City and Suburban Homes is one of the few existing developments that saw an increase in stabilized housing

- It decided to enter the **J-51 program** and the number of rent stabilized units dramatically increased
- J-51 is for residential rehabilitation: if the building needs work, J-51 subsidizes the work, in exchange for entering rent stabilization



J-51 is more popular in some neighborhoods than others

- Central Harlem is 21% of all J-51 units in Manhattan. How did that happen?
- What goes into the decision to enter the J-51 (and other) programs?
- How can more incentives flow to neighborhoods that need it?

Utilization of J-51 by neighborhood

Neighborhood	UNITS	Pct
ALPHABET CITY	870	2%
CHELSEA	3832	9%
CHINATOWN	105	0%
CIVIC CENTER	5	0%
CLINTON	386	1%
EAST VILLAGE	1532	3%
FLATIRON	42	0%
GRAMERCY	330	1%
GREENWICH VILLAGE-CENTRAL	436	1%
GREENWICH VILLAGE-WEST	849	2%
HARLEM-CENTRAL	9319	21%
HARLEM-EAST	1226	3%
HARLEM-UPPER	1350	3%
HARLEM-WEST	943	2%
INWOOD	3115	7%
JAVITS CENTER	152	0%
KIPS BAY	70	0%
LITTLE ITALY	36	0%
LOWER EAST SIDE	939	2%
MANHATTAN VALLEY	1680	4%
MIDTOWN EAST	472	1%
MIDTOWN WEST	194	0%
MORNINGSIDE HEIGHTS	1042	2%
MURRAY HILL	242	1%
SOHO	335	1%
SOUTHBRIDGE	1651	4%
TRIBECA	49	0%
UPPER EAST SIDE (59-79)	2375	5%
UPPER EAST SIDE (79-96)	195	0%
UPPER EAST SIDE (96-110)	210	0%
UPPER WEST SIDE (59-79)	443	1%
UPPER WEST SIDE (79-96)	605	1%
UPPER WEST SIDE (96-116)	1684	4%
WASHINGTON HEIGHTS LOWER	3010	7%
WASHINGTON HEIGHTS UPPER	4716	11%
Grand Total	44440	100%

On the UES, it has been reported that RS units are remaining empty

- Some like 300 East 86th are being emptied for redevelopment
- Others are older units that need rehabilitation
- What can be done to link owners to incentives to fix their buildings?
- Are neighborhood differences in HPD utilization market-related, or due to HPD marketing to owners, or something else?
- Can more be done to increase HPD's presence in underserved neighborhoods?

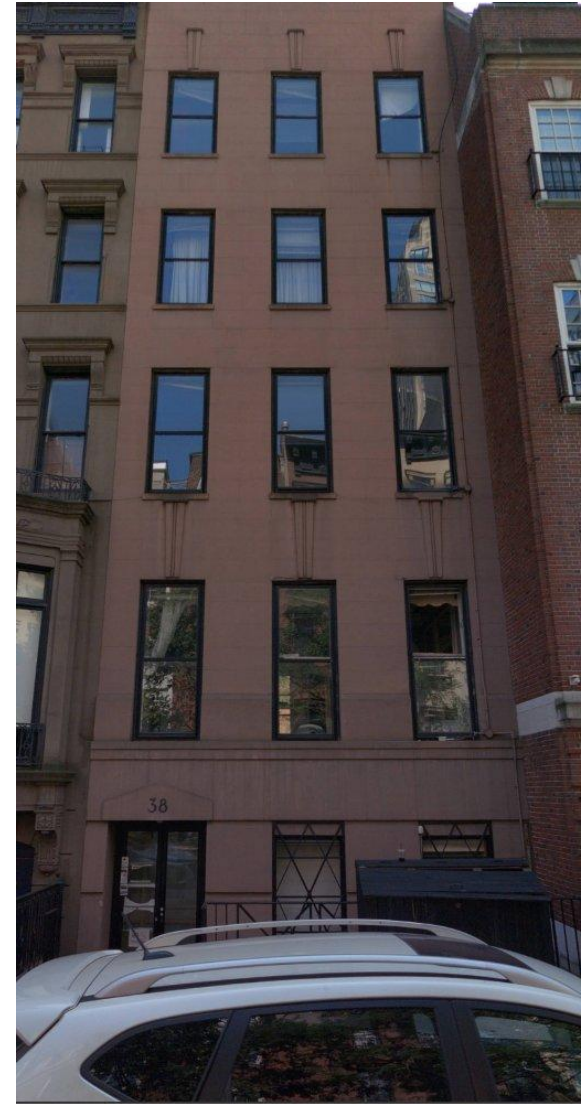


NYC normally uses incentives (carrots) to get what it wants

- But what about penalties (sticks) to discourage leaving apartments vacant?
- What could discourage the combination of units in tenements →
- What may discourage the enormous buildings with few units?



1165 Madison: 11 units



38 East 75th Street: 9 units to 1

What else?

Next steps?



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