



# **Rent Stabilized and Income Restricted Housing in Manhattan Community District 8**

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# City of Yes for Housing Opportunity was approved by Council committee last week

- Passed the Zoning Subcommittee by a vote of 4-3
- Passed the Land Use Committee by a vote of 8-2-1
- There were modifications, which must go back to the CPC
- If CPC determines that the modifications are “within scope,” the full Council will likely vote on **December 5<sup>th</sup>**

# Council made dozens of modifications, which they summarized in [this document](#)

## Summary of NYC Council’s City for All Investments and Modifications to Zoning for Housing Opportunity (ZHO) Citywide Text Amendment

Throughout the public review process for ZHO, the Council heard from many stakeholders and other engaged New Yorkers about their concerns regarding its impact and the lack of complementary housing solutions. The Council recognized these concerns and released its City for All housing plan to meet the full range of needs of communities. Through its review of the Zoning for Housing Opportunity Citywide Text Amendment, it has sought to reach a balanced, well-considered outcome that respects the character of neighborhoods and secures investments into neighborhoods for housing stability and other support.

The following summarizes the final modifications to the ZHO citywide text amendment proposals. The final modifications were approved by the Subcommittee on Zoning and Franchises and Committee on Land Use at their November 21, 2024 meetings. This summary is intended to provide a broad overview; the full text of the citywide zoning text amendment, as modified, can be found here: [link on Legistar](#).

### Table summarizing major ZHO proposals, community concerns on those proposals, and associated City Council Modifications.

For standard zoning terms see <https://www.nyc.gov/site/planning/zoning/glossary.page>)

COY ZHO Proposal	Community Concerns and City Council Modifications
<b>Low Density: Town Center Zoning</b> <ul style="list-style-type: none"><li>Allows 3-5 story apartment building in low-density districts (R1-R5) on streets with commercial zoning</li><li>Within the greater transit zone, these</li></ul>	<b>Concern:</b> There is no zoning incentive in low density areas to build affordable housing <b>Modification – 20% Affordability Incentive:</b> Large projects (50+ units) can take full advantage of Town Center Zoning only if 20% is affordable at 80% Area Median Income (AMI)

# Many Council modifications impact CD8, including . . .

- Depth of affordability for UAP increased
- UAP height increase in the R8B reduced by 10 feet
- Madison Avenue's special bulk rules kept for market rate housing
- 30-foot rear yards retained on smaller (<40 foot) lots
- Permitted obstructions in rear yards reduced
- CPC special permit retained for large bulk waivers on landmark transfers. Smaller waivers retained as CPC authorizations
- Some CPC authorizations (e.g., irregular lots) removed entirely, but others (e.g., FAR/height increases for non-complying buildings) were kept

# Council did NOT make other changes that were of concern to CD8

- Floor area transfers from low density mid-blocks to high density tower districts are maintained
- Changes to the tower-on-a-base building envelope that permit a 15-story base are maintained
- Changes to the Dwelling Unit Factor were rolled back nearly everywhere, except CDs 1-8. In these districts, buildings containing only studios can be developed
- Parking is unchanged in CD8, but the parking requirement is kept or just reduced in other selected locations

# COYHO still has only one affordable housing program: UAP

- UAP is an optional 20% floor area bonus that requires buildings to have 20% permanently affordable units at 60% of AMI
- There is concern that it will not be used much in CD8 because it's optional and developers can get floor area from other sources (landmarks and mid-blocks)
- Also, the state subsidy 485X cannot be used for homeownership units, which are typical on the UES
- Without 485X, UAP becomes much less attractive

# To start to assess the need, we must understand how affordable housing has changed in CD8 in recent years

- Determining change in affordable housing is much harder to answer than it should be
- First, we'll start with rent stabilized housing
- Then, we'll get into new and preserved income restricted housing

# Most rental buildings with 6 or more units built before 1974 are, or were, subject to Rent Stabilization (RS)

- RS limits rents, requires lease renewals, among other regulations
- Units can be removed from RS. Before 2019 changes, the most common method was “luxury decontrol”
- New RS units are also added through new construction, or existing buildings can opt into HPD programs that require RS
- While there is a list of buildings subject to RS, neither the City nor the State publishes the number of units subject to RS in those buildings

# While there is no official database, the number of units in a building subject to RS is not a secret

- Buildings with RS units pay a tax on those units, which means the number of RS units appears on their tax bills
- The following is taken from the June 2020 tax bill for 351 East 83<sup>rd</sup> Street:



Tax Year Charges Remaining	Activity Date	Due Date	Amount
Finance-Property Tax		01/01/2021	\$1,185,664.06
<b>Rent Stabilization *</b>	<b># Apts</b>		
Rent Stabilization Fee- Chg	75	01/01/2021	\$1,500.00
<b>Total tax year charges remaining</b>			<b>\$1,187,164.06</b>
<b>If you want to pay everything you owe by July 1, 2020 please pay</b>			<b>\$2,354,082.03</b>
<b>If you pay everything you owe by July 1, 2020, you would save:</b>			<b>\$11,856.64</b>

- The tax bill tells us that this building has **75** RS units

# If we go back in time, we can recreate the rent stabilization history for 351 East 83<sup>rd</sup> Street



Year	RS Units
2007	127
2008	118
2009	111
2010	103
2011	94
2012	89
2013	85
2014	83
2015	77
2016	76
2017	75
2018	75
2019	75
2020	75
2021	75
2022	75
2023	75
2024	75

- Building name: The Continental
- Year built 1967
- Total residential units: 232
- RS units lost 2007-2024: 52
- RS units as a % of total in 2024: 32%

# Since the government doesn't publish this database, citizens took matters into their own hands

- In 2015, a citizen programmer downloaded tax bills in NYC, “scraped” the number of RS units off the PDFs and made a database<sup>1</sup>
- This was first done for 2007 - 2014
- In 2020, my office processed additional tax forms creating a RS data set from 2007-2017, 2019-2020 for every building in Manhattan
- More recently, Pratt processed the data and ANHD is distributing it.
- Links to the data and programs can be found on the last page of this document

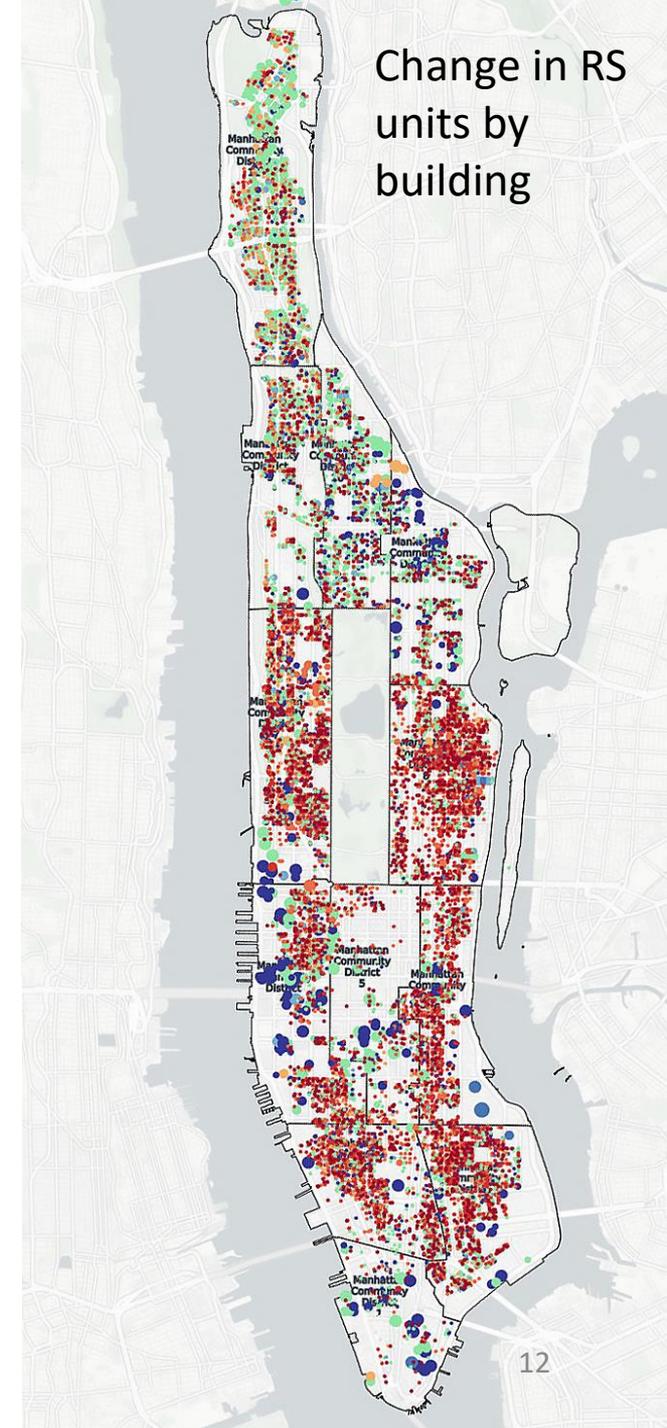
<sup>1</sup> This story is written up here: <http://blog.johnkrauss.com/where-is-decontrol/>.

# The result is change in rent stabilized housing at the building level

<http://bit.ly/3CMYt7E>

- Reds show buildings with RS losses, blues show gains, green are buildings with little change
- Even at the borough level, patterns are immediately apparent

Percent change  
Rent Stabilized Units



# We can summarize change in RS units by Manhattan community district

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
<b>Totals</b>	<b>50,008</b>	<b>117,804</b>	<b>-67,796</b>

- 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** in the period
- This is the highest net loss among Manhattan CDs, followed closely by CD7

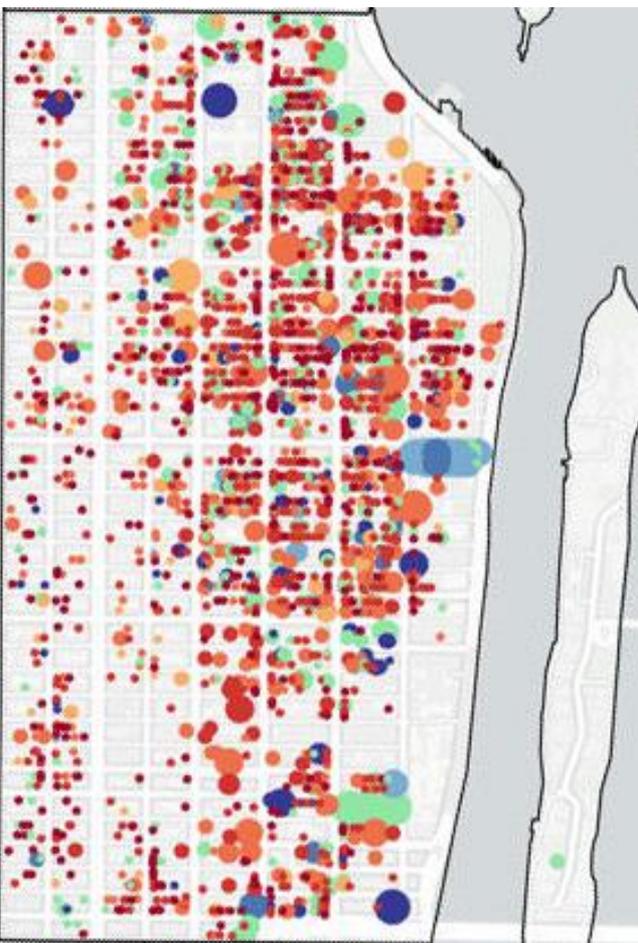
# Three CDs saw net increases. Each had substantial gains of new units combined with much lower losses

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- CD1 had very few rent stabilized units to lose
- CD4 saw major development in Hudson Yards off-setting substantial losses in Hell’s Kitchen
- CD11 kept their losses low while adding new units

# Losses in CD8 just didn't happen at the same scale in CD11. CD11 also shows many more gains (blue)

CD8

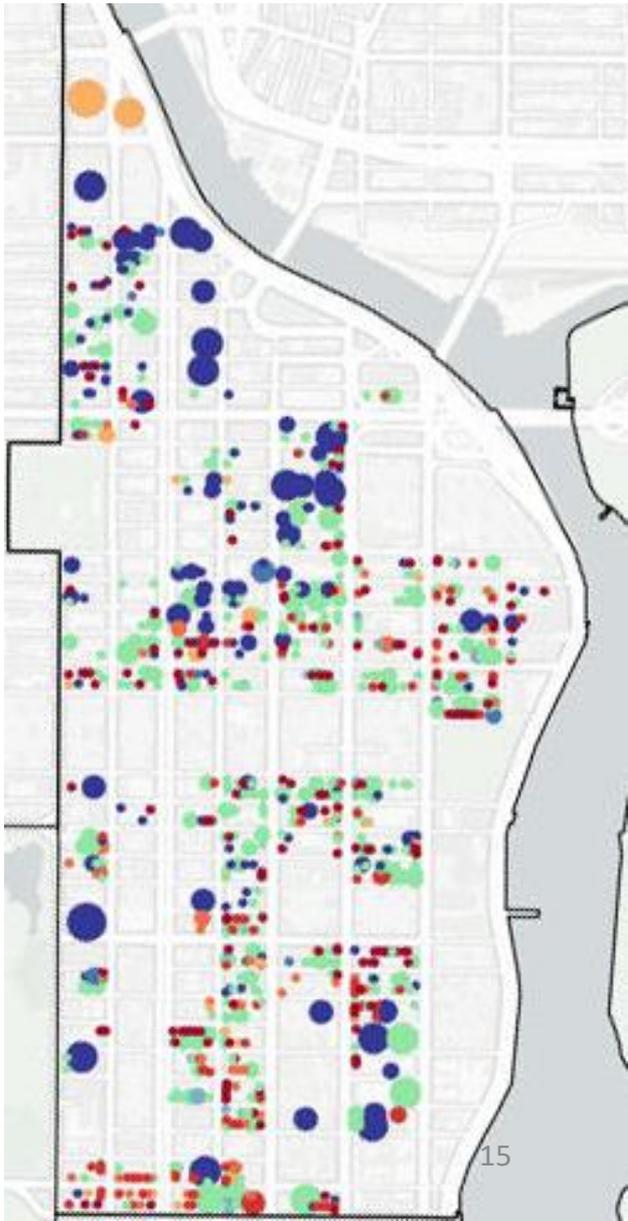


The difference in the change in RS units in these two CDs isn't about a few projects, it's systemic

Percent change in Rent Stabilized Units

- ALL RENT STABILIZED UNITS LOST
- MORE THAN 50% LOSS
- -25% TO -50%
- -10% TO -25%
- NO OR LITTLE CHANGE
- 10% TO 25%
- 25% TO 50%
- MORE THAN 50% GAIN

CD11



# When compared with most other CDs, the losses in CD8 are huge. What's going on?

- RS units have been leaking out of pre-war tenements. While the total for any individual building are small, there are many of them



- 120 East 82<sup>nd</sup> Street
- Built 1912
- 18 units
- 2007: 11 units in RS
- 2024: 2 units in RS

# CD8 also has many large post-war buildings subject to rent stabilization that are also losing units every year

- Most of these were likely due to luxury decontrol, but losses have slowed down recently



- Yorkshire Towers, 1660 Second Avenue @ 86<sup>th</sup> Street
- Built 1964
- 692 units
- 2007: 489 units in RS
- 2024: 239 units in RS
- That's a 51% decline in this one building

# Lost RS units can re-enter RS through HPD regulatory agreements

- This happens in CD8, but is more common in other CDs

1591 First Avenue (at 83<sup>rd</sup> Street), Built 1920, 40 units



Year	RS units
2007	29
2008	21
2009	18
2010	18
2011	15
2012	13
2013	13
2014	41
2015	40
2016	38
2017	38
2018	38
2019	38
2020	37

← Likely entered HPD regulatory agreement

# Most new RS units come from new construction and use incentives that require rent stabilization



- The largest in the district is the new project on 92<sup>nd</sup> Street between Second and Third Avenues
- Built: 2014
- Units: 231, all rent stabilized

# New RS units can be found in some smaller projects



- 301 East 92<sup>nd</sup> Street (at Second Avenue)
- Built 2019
- 100% RS with 22 new units
- Part of an off-site affordable housing zoning bonus

## But remember: Not all RS units are affordable!

- At a Community Board meeting earlier this year, DCP told this board that CD8 lost no affordable housing
- It was an amazing thing to say, but DCP's definition of affordable housing is "income-restricted" housing
- Income-restricted (IR) housing requires a lottery, and by DCP's definition, CD8 had not lost any affordable housing because most stabilized units in CD8 are not IR

# So, let's use DCP's definition. How is CD8 doing?

- NYC Open Data publishes the number of IR housing units developed since 2014
- CB8 has some, but just 4% of the Manhattan total

Community District	Income-Restricted Units	Share of Manhattan
4	2,866	22%
11	2,339	18%
12	1,684	13%
3	1,564	12%
10	1,426	11%
6	753	6%
7	663	5%
<b>8</b>	<b>493</b>	<b>4%</b>
5	399	3%
9	328	3%
2	299	2%
1	212	2%
<b>Manhattan total</b>	<b>13,026</b>	<b>100%</b>

# NYC Open Data also publishes the number of IR units preserved since 2014

- In preserving IR units, CB8 is down to just 2% of the Manhattan total

Community District	Income-Restricted Units	Share of Manhattan
11	10,790	22%
10	8,885	18%
3	7,025	15%
6	5,879	12%
4	4,086	9%
7	3,221	7%
9	3,008	6%
12	2,469	5%
5	1,196	2%
<b>8</b>	<b>1,091</b>	<b>2%</b>
2	324	1%
1	87	0%
<b>Manhattan total</b>	<b>48,061</b>	<b>100%</b>

# Why is CD8 performing so much worse than other CDs?

- **Strong market:** HPD works to keep units in rent stabilization, but a strong market works against HPD's efforts. That's less true in some other CDs
- Most new development in the CD is **100% market-rate** and does not use incentives that trigger RS
- CD8 has **few publicly owned sites** where the City can require 100% affordable housing
- There have been few **rezonings** in the CD that would trigger a substantial amount of Mandatory Inclusionary Housing

# What would UAP do on the UES?

- 200 East 75<sup>th</sup> Street has 36 units
- It replaced about 40 units in four tenements. The tenement marked \* is the same building
- If this were UAP, it would produce about seven IR units



# What would UAP do on the UES?

- 60 East 86th Street was constructed in 2014 with just 14 apartments
- It replaced 10 units of housing
- If this were UAP, it would produce three IR units



# What would UAP do on the UES?

- 1165 Madison Avenue is new construction with 11 apartments
- If this were UAP, it would produce two IR units



# What would UAP do on the UES?

- 1230 Madison Avenue is new construction with 13 apartments
- If this were UAP, it would produce three IR units



# But these few IR units will only be produced if UAP is used

- Each of these developments are **condos** and income restricted housing doesn't work with condominium ownership
- Condos also cannot use the **485X** state subsidy in Manhattan, which makes UAP much less attractive

# In sum, many projects likely won't use UAP on the UES. When they do . . .

- The income restricted housing it produces will often come **at the expense of rent stabilized** housing that is not income restricted
- If we define affordable housing only as income-restricted, then UAP will produce more affordable housing than what we have
- But if we define affordable housing as including all rent stabilized housing, UAP will likely not make up for the rent stabilized housing it replaces on the UES

# Fortunately, UAP will likely perform better in other parts of the City

- An analysis of the City's similar Inclusionary Housing areas, show that UAP will likely be used in the Bronx, Harlem, and other markets that demand **smaller rental housing**
- But new housing on the UES is often enormous and condos, which do not work well with UAP

# Since 2007, the UES has lost nearly half of its RS housing

- While the losses have been catastrophic, CD8 still has nearly **18,000 RS units**
- With the 2019 changes to state law, losses due to luxury decontrol have ended, and losses in existing buildings have slowed
- A focus on keeping those 18,000 RS units might be a strategy this Board and the City may want to consider

# **Appendix: Data discussion and limitations**

# The RS database is an “Administrative Records” database

- The RS data come from tax bills. These data were not designed to be used to inform the community or policy-makers
- Nevertheless, planners routinely use administrative record databases in decision-making, including those created from birth and death records, traffic accidents, and building permits
- But as an administrative records database, the data are not perfect
- The time-series data for individual properties sometimes produce unexpected results
- For example, 308 East 85<sup>th</sup> Street shows the following time-series of RS units 2007-2020: 17, 14, 17, 0, 17, 17, 17, 17, 9, 9, 8, 8. Why is there a zero in 2010? Did a regulatory agreement expire and renew? Or is it just a data anomaly? We don't know

# The RS data are forward-looking and do not self-correct

- When errors are corrected in the data, they are corrected going forward, but not backward
- A good example of what appears to be a corrected error is the Wales Hotel, a residential hotel at 92<sup>nd</sup> Street and Madison Avenue



- Appears with just two RS units in 2007 and 2008
- Shows as having zero RS units 2009-2015, and then in 2016, when the property was sold, 91 RS units appear
- The increase is likely a correction of an error: units in residential hotels are covered by RS, even if they are vacant or being used for commercial occupancy
- The Wales reminds us that a RS unit does not mean a RS tenant, as this building was being emptied for redevelopment

# Mitchell-Lama (ML) developments were often outside RS but some that have expired are now in RS

- For example, Lakeview Apartments (106<sup>th</sup> St. and 5<sup>th</sup> Avenue) is an expired ML. It appears in the RS database for the first time as 446 units in 2019
- 1,258 units at Ruppert and Yorkville Towers is also an expired ML. These units have never appeared in the RS database
- The difference is likely related to how the developments chose to be treated after program expiration
- Understanding how expired ML and other large developments, like Stuyvesant Town, are counted (or not) are important in understanding change in RS



# Not all affordable housing is rent stabilized! Keep in mind the following will not appear

- Public housing
- Owner-occupied units, including affordable cooperatively-owned units. These include Housing Development Fund Corporation (HDFC) cooperatives that are regulated, but they are not RS
- Properties controlled by the Roosevelt Island Operating Corporation
- Units controlled by Community Land Trusts, or other social housing that exists outside the requirements of RS
- Employer-owned housing (e.g., housing for hospital workers)

# Download the data!

- A spreadsheet with all the processed data can be found here: <https://shortifyme.co/gEFBX>
- An online map that allows you to explore individual properties in Manhattan can be found here: <http://bit.ly/3CMyT7E>
- The unprocessed data and earlier processed data can be found at: [Dataset:-Rent-Stabilized-Buildings](#)
- The scripts used to process the raw data can be found here: <https://bit.ly/31taOhx>
- Questions should be sent to [George@georgejanes.com](mailto:George@georgejanes.com)



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