

The Rent Guidelines Board 2001 Housing Supply Report

June 5, 2001

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Introduction

Most indicators on New York City's residential housing market posted positive gains from 1999 to 2000. The number of permits issued for new dwelling units citywide continued to climb, reaching over 15,000 units. Permits grew at an even faster pace in the first quarter of 2001, compared to the first quarter of 2000. The number of housing units completed, according to Final Certificate of Occupancy records, grew by 44% to 12,905 units citywide. The number of cooperative and condominium units approved for conversion or new construction increased in 2000. Conversely, the number of housing starts and the number of units completed through the 421-a certificate tax exemption program both declined from 1999-2000.

Rehabilitation of residential units increased slightly, 2%, in the J-51 tax abatement and exemption program. New York City continued to reduce the share of city-owned occupied units, decreasing by 15% from 1999 to 2000 through various disposition programs. In early 2001, the City administration proposed a four-year, \$1.2 billion plan to build and renovate over 10,000 apartments. However, the latest City rental vacancy rate of 3.19% indicates that there is not enough vacant and available housing supply to meet demand.

New York City's Housing Inventory

New York City is unique, when compared with the nation as a whole, in that the substantial majority of its residents do not own the homes in which they live. The 1999 Housing and Vacancy Survey (HVS) reports that the percent of rental units relative to all dwellings in New York City stood at 66% in 1999, down from 70% in 1996. While lower, this is still twice the national average of 33%.¹ New York City is also unique in the types of dwelling units owned. Whereas conventional one- and two-family homes are the norm nationally, the high number of cooperatives and condominiums and small multiple dwellings such as brownstones in its owner-occupied housing pool further differentiates New York City from other parts of the country. In New York City, these alternative forms of home ownership account for 45% (412,000) of owner-occupied dwellings, according to the 1999 HVS, up from 42% in 1996. Examining both rental and owner units combined, New York City in 1999 had a total of 3,039,000 housing units.

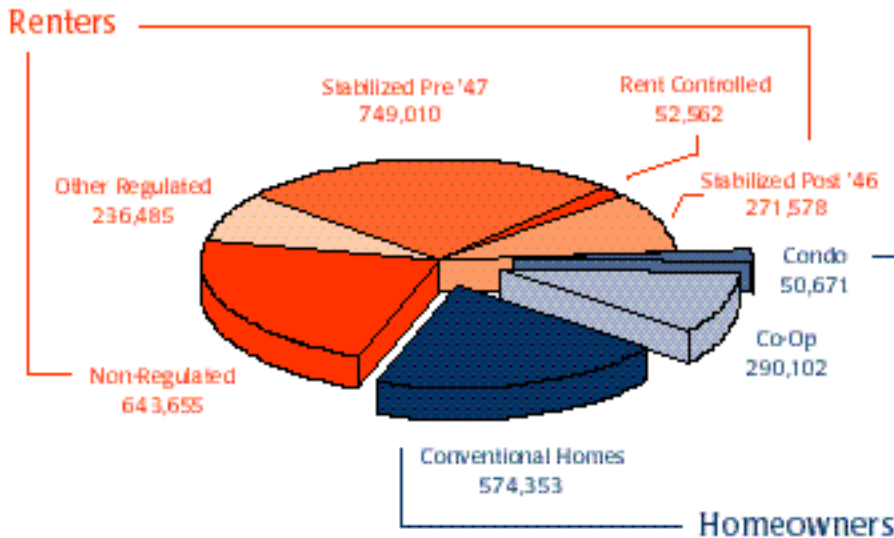
While the number of rental units has declined since 1996, New York City's housing remains dominated by the size of its rental housing stock. The rental housing stock in New York City is also very diverse and contains many subgroups. However, unlike many other cities nationwide, the bulk of rental units in New York City are rent regulated. Of the 2,018,000 occupied and

WHAT'S NEW

- ✓ Over 15,000 new dwelling units were approved for construction in 2000, an increase of 21% from 1999.
- ✓ The number of new dwelling units receiving a Final Certificate of Occupancy increased 44% in 2000, to 12,905 units.
- ✓ The number of units newly receiving 421-a certificates decreased 54% in 2000, to 2,828 units.
- ✓ About 84,000 dwellings obtained J-51 tax benefits in 2000, 2% more than in the prior year.
- ✓ The City reduced its *in rem* occupied housing stock by 15%, or 2,113 units, from 1999 to 2000.

New York City's Housing Stock is Predominantly Renter-Occupied

(Number of Renter and Owner Occupied Units)



Source: U.S. Bureau of the Census, 1999 New York City Housing & Vacancy Survey.

VACANT AVAILABLE RENTALS

	1996	1999	Change
Total	81,256	64,412	-20.7%
Controlled	NA*	NA*	NA*
Stabilized	37,549	25,790	-31.3%
Pre-1947	29,381	20,069	-31.7%
Post-1946	8,168	5,720	-30.0%
Mitchell Lama	3,500	2,829	-19.2%
Public Housing	6,450	3,323	-48.5%
Private, Non-regulated	33,758	32,471	-3.8%

*NA: Once a rent controlled unit becomes vacant it typically reverts to rent stabilization.

Source: 1996 and 1999 New York City Housing and Vacancy Surveys.

vacant available rental units reported in the most recent HVS, just under a third (30%) were unregulated, or "free market." The majority are either pre-war rent stabilized (38%) or post-war rent stabilized (14%), and the rest are rent controlled (3%) or part of various other² types of regulated apartment units (16%).³

Unlike the decline in the number of rental units, since 1996, the number of privately owned homes increased over the period. This largely occurred through the purchase of cooperatives and condominiums. The 1999 HVS reports that of the 75,000 unit increase in the privately-owned housing stock⁴, about two-thirds involved the addition of co-ops or condos, and only a third (25,000) from the addition of conventional homes.⁵ Furthermore, the number of unregulated rental units increased by more than 27,000. However, the share of rental units overall fell because of an even larger drop in the number of regulated units. Rent controlled units declined by 18,000, stabilized units fell by 6,000 and the number of other regulated units⁶ declined by 13,000. Finally, there were 21,000 fewer vacant units that were off the sale or rental markets. These units were most likely either added to the housing market or to a lesser extent, demolished.

With the significant drop in vacant, available-for-rent and -sale units, the vacancy rate for New York City's rental stock decreased from 4.01% in 1996 to 3.19% in 1999. The vacancy rate is the lowest in Queens, where just 2.11% of the available rental units are vacant. Meanwhile, Staten Island's vacancy rate, at 5.82%, is the highest. (See chart at right for each borough's vacancy rate.)

NYC VACANCY RATES

	1996	1999	Change
NYC Total	4.01%	3.19%	-20.3%
Pre-1947*	3.85%	2.61%	-32.2%
Post-1946*	2.83%	2.06%	-27.2%
Bronx	5.43%	5.04%	-7.2%
Brooklyn	4.20%	3.26%	-22.4%
Manhattan	3.47%	2.57%	-25.9%
Queens	3.28%	2.11%	-35.7%
Staten Island	4.17%	5.82%	39.6%

*Stabilized units

Source: 1996 and 1999 New York City Housing and Vacancy Surveys.

Changes in the Housing Inventory

New Additions

Additions to the housing stock are generally from new construction, substantial rehabilitation of deteriorated buildings and building conversions from non-residential to residential use. The number of permits authorized for new construction is a measure of how many new dwelling units will be completed and ready for occupancy within three years, depending on the type of housing structure. According to the Census Bureau, the gap between units issued permits and those that are actually constructed has significantly narrowed in recent years; hence tracking permits is an even stronger indicator of the amount of new housing units coming on-line.

The number of permits issued for new privately-owned residential units in single and multi-family buildings in New York City increased from 1999 to 2000, continuing an upward trend. In 2000, permits were issued for 15,050 units of new construction, an increase of 21.2% over the 12,421 units in 1999. Though still well below the nineteen-eighties' 20,000 unit peak reached in 1985, and the 1960's average of 37,000 new units each year, residential building has continued its resurgence

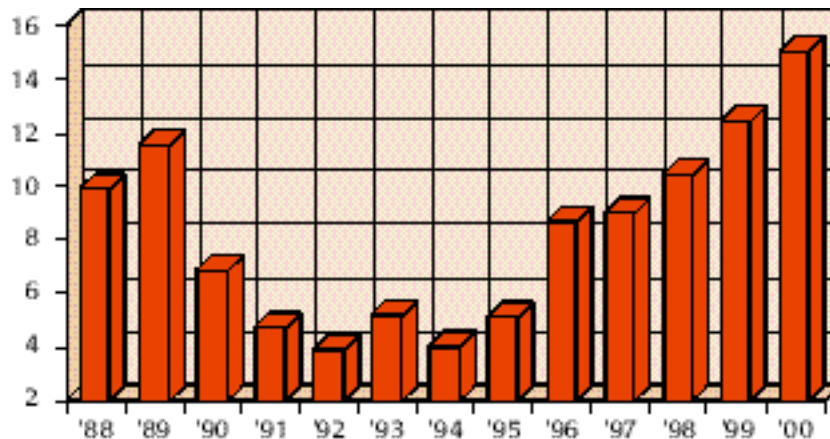
since recovering from the recession of the early 1990s, with more permits issued for residential units in 2000 than in any year since 1985. While the City overall saw a sizable increase from 1999-2000, the number of permits issued in Brooklyn remained virtually unchanged, increasing by 0.4% for a total of 2,904 units in 2000. The largest increase occurred in the Bronx, where the number of permits for residential units increased by 42.8% (from 1,153 units in 1999 to 1,646 units in 2000). The number of permits in Manhattan increased by 34.8% to 5,110 units, Queens by 25.5% to 2,723 units and Staten Island by 10.5% to 2,667 units.

The latest available 2001 building permit data is for the first quarter, January through March. Compared to the first quarter of 2000, the number of permits issued in New York City in the first quarter of 2001 has increased by nearly 40%, reaching a total of 4,421. Brooklyn had the largest increase, 78.8%. Manhattan increased by 60.1%, Queens by 32.8% and the Bronx by 29.4%. First quarter permits issued for the construction of units in Staten Island decreased by 22.2%.

The NYC Department of City Planning tracks the number of new dwelling units completed, mainly from the Final Certificate of Occupancy records from the Department of Buildings. According to their most recent data, during the past ten years, 95,241

Number of Permits Issued for New Construction of Residential Units Continue to Grow in 2000

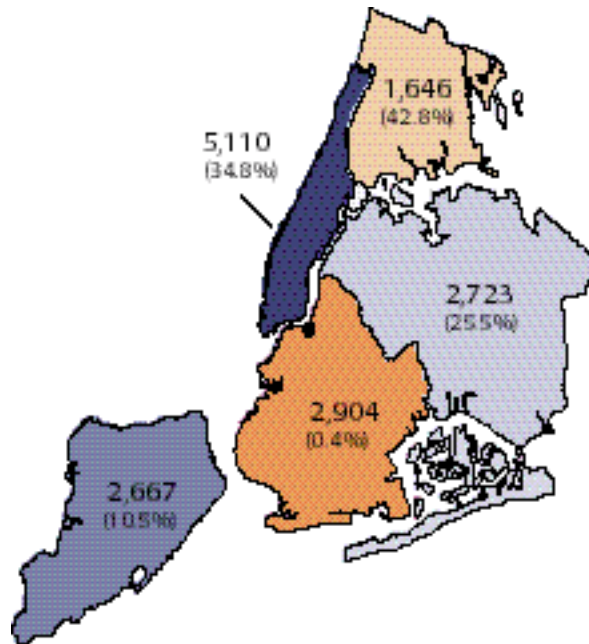
(Units Issued New Housing Permits 1988-2000, in Thousands)



Source: U.S. Bureau of the Census, Manufacturing and Construction Division Building Permits Branch.

Permits for New Housing Units Increased by 21% from 1999-2000 in New York City

(Total Number of Permits Issued in 2000 and Percentage Change From 1999 by Borough)



Source: U.S. Bureau of the Census, Manufacturing and Construction Division - Building Permits Branch.

new residential units were completed. Between 1990 and 2000, the largest share of the new units completed were located in Manhattan (36,178), while 17,872 units in Staten Island, 17,237 units in Queens, 13,123 units in Brooklyn, and 10,831 units in the Bronx were completed.

In New York City, the number of new housing units in 2000 (12,905) increased by 44% from the number completed in 1999 (8,937). The largest growth in new units occurred in Manhattan, a 161% increase, while new housing units declined the most in Staten Island, a decrease of 14%, from 1999-2000. Units in Brooklyn increased by 45%, units increased in the Bronx by almost 14%, and the number of units completed in Queens declined by 5% from 1999-2000. (See Appendix 2 for a complete historical breakdown.)

Another source of information on new housing development is the annual *Mayor's Management Report*, which reports publicly-sponsored residential

construction. The NYC Department of Housing Preservation and Development (HPD) reported 7,620 total housing starts in FY 2000. This includes 3,970 moderate rehabilitation housing starts and 800 gut rehabilitation housing starts (in both city-owned and private housing), and 2,850 new construction starts. In FY 2001, the department plans 12,325 total starts, including construction of 1,146 new units and the completion of 1,303 units in one- to four-unit owner-occupied homes through the NYC Partnership New Homes program.

Tax Incentive Programs

Under the 421-a tax incentive program created in 1970, many new multifamily properties containing three or more rental units receive tax exemptions. The program (and its counterpart for conventional, one- to two-family homes, under Section 421-b of the New York State Real Property Tax Law) permits a reduction by owners in the taxable assessed value of eligible properties. That is, owners are exempt from paying additional real estate taxes due to the increased value of the property resulting from the improvements made. According to HPD, eligible projects must be new construction of multiple dwellings on lots that were vacant, predominantly vacant or improved with a non-conforming use three or more years before the new construction is to commence. Owners are exempt from paying additional real estate taxes on the increased value of the property due to the new construction (i.e. housing structure). Apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protection as stabilized tenants, and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board (RGB).

There are a number of factors used to determine the level and duration of 421-a benefits. These factors include: geographic location; reservation of units for low- and moderate-income families; construction periods and government involvement. In addition, properties are subject to construction guidelines. Rental properties located outside what

is known as the Manhattan Exclusionary Zone (which is located between 14th and 96th Streets) receive an exemption for 10 to 25 years depending on location, whether they meet one of the first two conditions listed above, and whether they are located in a neighborhood preservation area. Longer exemption periods apply in northern Manhattan and the other boroughs, and to projects that receive governmental assistance or contain 20% low-income units.

Housing developments located in the Manhattan Exclusionary Zone (located between 14th and 96th Streets) are part of the 421-a Affordable Housing Program, but receive more limited tax benefits. These projects receive exemptions for ten years—a full exemption from taxes for two years, followed by an eight year period in which taxes are phased in at 20% every two years, provided they meet all of the criteria listed above. Manhattan’s strong residential market has the effect of stimulating development of affordable housing in other parts of the City. Participation in this program, under the criteria listed above, enables developers of new market-rate projects in Manhattan’s exclusionary zone to buy tax-abatement certificates from developers who create or rehabilitate affordable housing elsewhere in the City. For each low-income rental unit produced, five tax abatement

certificates are given. According to HPD, these certificates are generally sold for \$10,000 to \$20,000 each.⁷ There were fewer housing starts under this part of the program in 2000 than in 1999. It is estimated that when all the units begun in 2000 are completed, 434 new affordable units will be produced, creating 2,170 certificates to be sold. This is 19% less than in 1999. In addition, unlike last year, no housing units began undergoing gut rehabilitation under the program, versus 93 units that went through gut rehab last year.

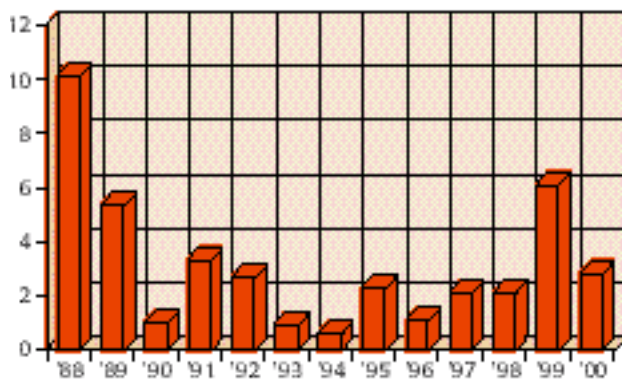
Furthermore, significantly fewer affordable units were completed under the Affordable Housing program in 2000 than in the previous year. Last year, 264 new affordable units were completed, which produced 1,320 certificates for market-rate housing, 45% fewer than in 1999. Sixty-four units finished undergoing gut rehabilitation in 2000, creating 320 certificates, 49% fewer than in 1999.

Citywide, both within and outside the Manhattan Exclusionary Zone, after increasing 189% in 1999, the number of apartments newly receiving 421-a exemptions decreased sharply in 2000, falling 54%, to 2,828. The largest share of units receiving benefits last year were in buildings located in Manhattan and Queens, containing 39% and 34%, respectively. The remainder was in Brooklyn (16%) and the Bronx (11%).

The number of certificates issued citywide in recent years remains well below the number of units that received exemptions in the late 1980s, when on average, 8,000 new units per year received exemptions. According to the 1999 HVS, there were close to 30,000 rent stabilized apartments currently receiving 421-a benefits. These units, however, do not remain permanent members of the stabilized stock. As exemptions expire, rental apartments are no longer governed by rent regulation rules. (See Appendices E and F.)

54% Decline in Number of Units Newly Receiving 421-a Certificates In 2000

(Units Receiving Certificates, in Thousands)



Source: N.Y.C. Dept. of Housing Preservation & Development.

Conversions and Subdivisions

Since new development alone cannot satisfy the growing needs of residents, alternative methods for supplying new housing units, such as subdivisions and conversions, help to meet demand.

Subdivisions refer to dividing existing residential space into a larger number of housing units. Non-residential spaces, such as offices or other commercial spaces, can be converted for residential use. There have been a growing number of conversions in neighborhoods such as SoHo and TriBeCa (Manhattan) and DUMBO and Williamsburg (Brooklyn). Warehouse and manufacturing space are being transformed into loft apartments in these areas, attracting those individuals who are looking for less conventional residences. Office and other commercial space are also being converted into rental housing, ranging from affordable developments to luxury units, in various neighborhoods in the City. In Mott Haven (Bronx) a casket factory was transformed into a 79-unit affordable housing complex in 2000.⁸ According to a recent news report, some plans for converting commercial space into residential space in downtown New York were shelved because of the rebound of the downtown office market in the last two years.⁹ This trend is backed by analysis of the Federal Reserve Board, which found that downtown Manhattan's office vacancy rate decreased from 11.9% in April 1999 to 6.3% in April 2000.¹⁰

In addition to conversion of manufacturing and office space into residential units, there have also been an increasing number of conversions taking place among single room occupancy (SRO) buildings. Over the past few years, the number of reports of SRO buildings being converted to tourist hotels or single-family dwellings or apartments has risen. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. The number of Certificates issued over the past three years has greatly increased in Manhattan, where the vast majority of SROs are located. In 1995 and 1996, an average of 67 applications were filed each year. However, from 1997 through 1999, an average of 115 applications for Certificates of No Harassment were filed in Manhattan, a 72% increase.¹¹ In 2000, the total number of Manhattan applications were about the same as in the prior three years: 113 applications.

Illegal conversions are another source of additions to the housing supply. The NYC

Department of Buildings (DOB) defines an illegal conversion as the creation of a housing unit(s) without first receiving the approval of, and permits from DOB. Often, conversion involves the alteration or modification of an existing one- or two-family home by adding an apartment in the basement or attic or creating a rooming house. This housing is generally illegal because it violates the zoning regulations for the area. In other circumstances, the house itself was not constructed for the current use, and cannot safely accommodate all the people in residence.¹² Conversion has been a divisive issue in Queens, where some owners of one-to-three family wood-frame homes have divided basements and attics without sufficient exits. Some defend the conversions as necessary to accommodate extended families, and the complaints are harassment against immigrants. Critics are concerned with the safety of these conversions — fire hazards, unhealthy overcrowding — plus the increase burden they place on city services, without bringing in additional property tax revenue.

The Department of Buildings Quality of Life Task Force, created in 1997, investigates complaints of illegal housing. The numbers of complaints, field visits and violations issued have continued to increase since the creation in 1997 and expansion since its inception. According to DOB, unplanned growth causes a severe strain on local public services that results in the overcrowding of schools, public transportation and sewer and sanitation systems and also creates parking problems. The most serious aspect of this illegal construction is that often it creates substandard, potentially dangerous housing.

During the first four months of FY 2001, the Department of Buildings received 4,939 illegal conversion complaints, compared to 3,923 complaints during the same period of FY 2000. 12,268 complaints were made in all during FY 2000, and increase of 47% from the 8,370 complaints filed during FY 1999. Field visits are made are made by inspectors, and violations may be issued. In FY 2000, 16,505 field visits were made, up by 49% from 11,067 in FY 1999.¹³

Illegal conversion violations can be corrected in two ways: either removal of the illegal condition, or legalizing the unit if the zoning laws permit multiple housing units. In FY 1997, there were 1,466 violations issued, while in FY 1998 there were 4,931 and in FY 1999, a total of 6,935 violations. In FY 2000, 9,217 violations were issued. During the first four months of 2001, 12,240 violations were issued, compared with 3,595 violations during the same period in FY 2000. A new state law was signed into law in June 2000, making it harder for landlords who make illegal housing conversions to ignore fines for violations. Judgments that are in arrears for a year will be processed as a tax lien against the property, allowing the city to collect fines and start foreclosure proceedings if the fines are not paid.¹⁴

Cooperative and Condominium Activity

Another source of new housing is created in the City is through the construction of cooperatives (co-ops) and condominiums (condos). Conversion of rental units or commercial space into co-ops and condos is another means of production. While New York remains predominantly a city of renters, the level of home-ownership has been increasing. Many of the newly developed units for sale have been aimed at the high-end market, with fewer units coming on to the market for entry-level and middle-level buyers in the past few years, particularly in Manhattan.¹⁵ One middle-income cooperative apartment completed in 2000 in Harlem received 4,000 applications for the 240 apartments in the building.¹⁶ According to the Real Estate Board of New York, eight condo projects with 723 units were completed in Manhattan during 1999, and on the Upper East Side, five condo buildings with 500 units came online in 2000.¹⁷

Owners wishing to convert their buildings to co-ops or condos, and developers wanting to build new co-op or condo buildings, must file plans with (and receive approval from) the New York State Attorney General's Office. In 2000, the Attorney General approved 120 plans, about the same as the

number of plans in 1999 (119). These 120 plans affected 3,072 housing units, a 7.6% increase in the total number of units in 1999 plans. More plans were accepted in Brooklyn (67) than in Manhattan (42); although Manhattan plans covered more housing units (1,809 units in Manhattan to 644 units in Brooklyn). The majority of the plans accepted citywide were for new construction, 87 plans, covering a total of 1,911 units. This is a considerable increase from last year, when new construction accounted for 50 of the 119 accepted plans (1,123 units). Rehabilitation accounted for 15 plans and 220 units, and the remainder, 18 plans and 941 units, were conversions. Compared to 1999, while the number of construction plans increased, the number of rehabilitation and conversion plans accepted decreased. (See Appendices 3 and 4 for a complete breakdown of the last three years.)

While the conversion of rental housing into co-op and condo units increases the housing inventory for sale, it reduces the total number of housing units for rent. Conversions represent 30.6% of the total number of units in plans accepted by the Attorney General's Office in 2000, an increase from 24.6% in 1999 and from 4.9% in 1998. While the total number of units converted to co-ops or condos has dropped overall in recent years, residual effects remain because of the time lag in the impact of conversions on the housing market. Since most conversion plans are non-eviction plans, for most of the units, only when the original rental tenant moves out does the apartment become owner-occupied. When that happens, the unit is then removed from the rental universe, thereby reducing the number of rental apartments available. Thus, thousands of renter-occupied units are being converted as tenants under non-eviction plans move out, even as the number of units accepted for conversion have declined in recent years.

Rehabilitation

As buildings age, they require periodic renovation and rehabilitation to remain in livable condition.

This is especially true of NYC's housing stock, of which more than 60% of the units are in buildings greater than 50 years old.¹⁸ Substantial rehabilitation, subsidized through tax abatement and exemption programs, is one method by which units remain or are readmitted to the City's housing stock. The J-51 tax abatement and exemption program is designed to promote the periodic renovation of New York City's stock of rental housing. In the late 1980s and early 1990s, the number of units approved for initial J-51 tax abatements and exemptions each year was frequently above 100,000 dwellings. In the mid-1990s, rehabilitation activity declined to just under 70,000 units per year. But in 1997, coinciding with the improving NYC economy, the number of units receiving J-51 benefits increased sharply, with over 145,000 additional units receiving this tax incentive. However, in 1998 and 1999, despite the improved economy, the number of units newly receiving benefits declined significantly, falling 29% in 1998 and 21% in 1999. The year 2000 saw a slight reversal, with the number of units receiving J-51 benefits up 2%, to 83,925. (See Appendices E and F.)

The J-51 tax relief program requires that rental units be subject to rent regulation for the duration of the benefits, just like the 421-a program. Apartment units in many high-rent neighborhoods are not allowed to enter the program because the apartment tax assessment generally cannot exceed \$38,000 after completion.

Rehabilitation activities that are eligible for tax abatements and exemptions include Major Capital Improvements (MCI's), substantial rehabilitation, conversion from non-residential uses, and moderate rehabilitation, which requires significant improvement to at least one major building-wide system. Enriched exemption and abatement benefits are also available for conversion to Class A multiple dwellings (which are permanent residential dwellings) and rehabilitation of Class A buildings that are not entirely vacant.¹⁹

Since most units receiving J-51 benefits would ordinarily be under the jurisdiction of rent stabilization laws even without tax abatements, the majority of these units will remain stabilized after

the benefit period. However, rental apartments not stabilized prior to receiving tax benefits will not be subject to the City's rent regulations once their benefits expire.

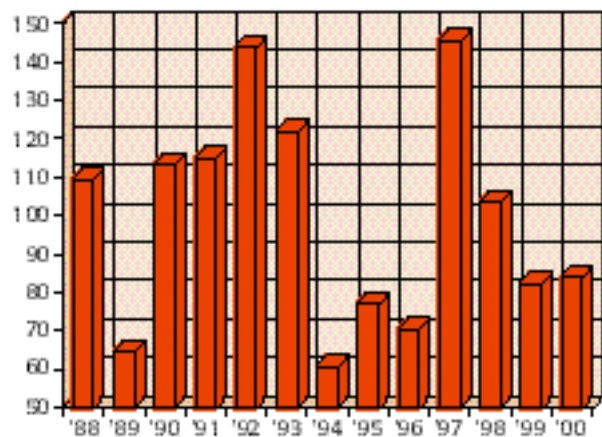
Tax-Delinquent Property

In-Rem Housing

In the 1970s and 1980s, the City foreclosed on thousands of tax-delinquent residential properties, becoming the owner and manager of 5,358 buildings by 1994, most of which were dilapidated multi-family housing occupied by a low-income population.²⁰ HPD has developed multiple disposition programs over time to manage, rehabilitate and sell many of these *in rem* buildings. HPD's Building Blocks! Initiative began in 1994, with the goal of returning city-owned properties to private owners and stimulating neighborhood development.²¹ These programs - Neighborhood Entrepreneurs Program (NEP), Neighborhood Redevelopment Program (NRP), Tenant Interim Lease I and II Programs (TIL), Tenant Ownership Program, Asset Sales and Neighborhood Homes Programs, enable local entrepreneurs, community

Number of Units Receiving J-51 Certificates Increased Slightly Last Year

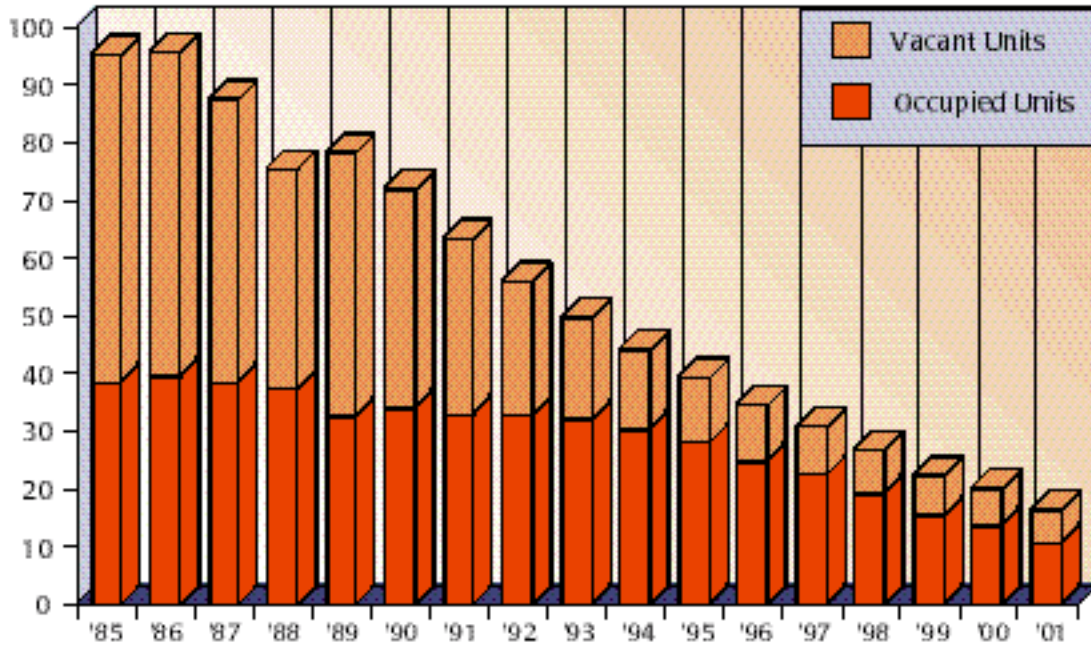
(Units Receiving Initial Benefits, in Thousands)



Source: N.Y.C. Dept. of Housing Preservation & Development.

City In Rem Housing Stock Continued to Decline in 2000

(Units in HPD Central Management Stock 1985-2001, in Thousands)



Note: 2001 figures are projections.

Source: Mayor's Management Report, Office of Operations, FY 1985-FY 2001.

not-for-profit housing organizations and groups of tenants to own and manage these buildings. Many of these programs include funds for rehabilitation and use the proceeds of federal tax credits to keep rents affordable.

HPD reduced the number of occupied *in rem* units in central management to 12,362 by the end of calendar 2000 from 14,475 in 1999 (15%).²² From December 1994 through December 1999, the number of occupied *in rem* housing units was reduced by 59%, or by over 17,000 units, adding an estimated \$8 million annually to the City in tax revenue, and providing additional low-cost housing opportunities to needy families. HPD plans to reduce the number of these occupied *in rem* units to 10,504 by the end of FY 2001 and 6,916 in FY 2002.²³ (See graph above.)

In May 2000, HPD launched a new initiative to sell vacant city-owned buildings to experienced developers for rehabilitation using private financing and equity. These buildings are eligible for J-51 tax abatements. Following rehabilitation, the

developers can either sell the units to owner-occupants or manage as rental properties. All rental units must enter the rent stabilization system upon initial occupancy. The buildings involved in the Vacant Buildings 2000 Program are located in Northern Manhattan, Central Brooklyn and the South Bronx. At the end of calendar 2000, there were 744 vacant buildings (6,241 units) in central management, 44% less than at year-end in 1994 (952 buildings). HPD plans to reduce the number of vacant units in central management to 5,741 in FY 2001 and 4,542 in FY 2002 through various programs including CityHome and HomeWorks (See Appendix G).

Anti-Abandonment Strategies

Since 1994, the City stopped vesting properties that were tax delinquent (taking title through tax foreclosure) and developed a three-pronged anti-abandonment strategy.²⁴ Tax liens for properties that are not distressed are sold in bulk to private

investors. After the lien is sold, the lienholder is entitled to collect the entire lien amount, plus other interest and charges, from the property owner. In addition, the property owner must continue to pay current taxes to the City. If the owner has not paid the lien or entered into a payment plan, the lienholder can file for foreclosure on the property.²⁵ During FY 2000, 11,535 buildings were reviewed for distress, 11,796 were recommended for exclusion and 9,739 buildings were referred for tax lien sales.²⁶

Second, for buildings that are distressed and in tax arrears, the city can initiate an *in rem* tax foreclosure action against property owners. The policy, under Local Law 37, transfers the title of *in rem* properties directly to new owners – qualified third parties - without the City ever taking title itself. The properties are temporarily transferred to a Neighborhood Restore, a nonprofit corporation, and upon the judgment of the court, are transferred to a qualified third party. Over the past four fiscal years, the City has initiated foreclosure actions against 864 properties, and has a total of 132 eligible “third parties”.

Many owners enter into repayment agreements, and the buildings are not transferred. During FY 2000, a total of 48 properties were transferred. Once transferred, the city forgives debts and grants the new owners tax breaks and low-interest loans for rehabilitation. HPD received a Pioneer Institute Better Government Award for the program in 2000 and plans to accelerate the program in 2001. A new addition to the program in 2001 is the inclusion of nonprofit tenant cooperatives as qualified third parties. Groups of tenant-owners will receive 25% of the properties transferred. The prior policy required tenant ownership groups to partner with a nonprofit housing manager to enter into the pool of third parties.²⁷

Thirdly, HPD identifies buildings at risk of abandonment and helps these owners achieve fiscal and structural soundness for their properties through housing education, counseling, subsidized loans and voluntary repair agreements, to preserve housing and avoid *in rem* actions entirely.²⁸

Special Needs Housing

Housing developments are also created or converted in New York City for populations with special needs. Under the New York/New York II agreement, approved in late 1999, New York City and the New York State will share the costs to create 1,500 beds for homeless, mentally ill individuals.²⁹ The City will provide 810 units over the next five fiscal years. As of early 2001, 310 of these units have been constructed. The remaining 500 will be provided by HPD’s Supportive Housing Program, 11 of which are under construction and 489 are either in design or under review.³⁰ HPD also develops housing units for homeless families and individuals. In FY 2000, 503 apartments for this population were produced.

According to analysis by the Independent Budget Office (IBO), HPD has been developing housing for the low-income AIDS population since 1990 with the aid of federal Housing Opportunities for Persons with AIDS (HOPWA) funds, but in recent years, funds devoted to new housing construction has declined.³¹ Over the past decade, 1,600 units have been developed, including 153 in 2000. Although funds for new housing development have declined in recent fiscal years, spending on rental assistance is increasing. From 1998 to 1999, the number of cases receiving rental assistance grew by 5,000 to 16,000 total. By June 2000, 17,000 people were receiving rental assistance. The City also provides housing for low-income individuals with HIV/AIDS in SRO units. According to IBO, 900 people with HIV/AIDS were living in SROs and 500 in commercial hotels in 2000.

An aging population in New York City has caused some private and public housing developments to add on-site services for their elderly tenants. A number of elderly renters are remaining in the apartments they raised their children in. This phenomenon has a direct impact on the housing supply. Anecdotal evidence suggests that widowed elderly people are living in three-bedroom apartments, foregoing a move to a smaller apartment, assisted living facility or a retirement community. As a result, these larger housing units would not be passed down to younger, larger

families. However, this trend is not supported within the rent stabilized housing stock, according to analysis of the 1999 HVS. According to HVS data, 11% of all rent stabilized tenants are seniors (62 years of age or more) living alone. The majority of these tenants, 76%, are renting one-bedroom units or studio units. However, an estimated 20% live alone in units with two bedrooms and 4% in units with three or more bedrooms, a total of about 26,000 households which may be considered underutilized (see box below).

New York City's older population, which dropped between 1970 and 2000 (from 1.4 million to 1.3 million) is expected to increase by nearly one-half, ballooned by the baby-boom generation, to 1.8 million by 2020.³² Some apartment complexes have begun to provide on-site medical, financial and social services to help elderly tenants. Advocates argue that the provision of these services as a logical, cost-effective way to care for an aging population. Other analysts question whether the growth in assisted-living facilities experienced elsewhere will come to New York City at all. Seniors in New York City apartments can purchase similar services to those provided in assisted-living

facilities, such as home health care and delivery of groceries, plus enjoy other urban conveniences, all while avoiding moving costs and the often increased costs of assisted living facilities.

Demolitions

In 2000, the number of buildings demolished in NYC jumped significantly. The NYC Department of Buildings reports that 1,500 buildings were demolished, a 109% increase over the 1999 count of 717. This was the highest total since the RGB began collecting this data in 1985. Three boroughs accounted for the vast majority of building demolitions: Queens (35%), Brooklyn (33%) and Staten Island (20%). All boroughs except the Bronx also saw increases in the number of demolitions over last year. Brooklyn and Queens saw the largest percentage increases, up 136% and 133%, respectively, while Staten Island increased 93% and Manhattan increased 91%. The Bronx, however, saw 4% fewer demolitions in 2000.

The number of demolitions has increased in three out of the last four years. While in the early 1990s relatively few residential buildings in New

DO SINGLE SENIOR TENANTS RENT APARTMENTS LARGER THAN THEY NEED?

According to the 1999 HVS, 20% of New York City's almost two million renter households are headed by someone 62 years of age or older (392,620 households). Of these households, 61% are seniors living alone, with no other household members (238,139 households). The largest share of these "single senior tenants" live in one-bedroom or studio units (72%). 24% live in two-bedroom units and almost 5% live in units with three or more bedrooms. In other words, about 67,000 households, or 3% of the City's rental units, headed by a single senior could be considered underutilized. On the whole, this data contradicts the perception that single elderly renters are in large numbers occupying apartments with many bedrooms. However, this distribution does change a bit when the kind of housing is considered (see table below).

The largest shares of single elderly tenants in apartments with two or more bedroom occur within non-regulated apartments (43.5%), public housing (39%) and rent-controlled housing (34%). In rent stabilized apartments, 24% live in apartments with two or more bedrooms while just 13% of single seniors in Mitchell Lama housing occupy apartments with two or more bedrooms. In other regulated housing, 12% live in apartments with two or more bedrooms.

	0-1 Bedrm	2 Bedrms	3+ Bedrms	Total
Rent Stabilized	76% (85,573)	20% (22,587)	4% (3,216)	100% (112,102)
Rent Controlled	66% (17,517)	30% (7,639)	4% (1,093)	100% (25,889)
Mitchell Lama	87% (11,684)	10% (1,349)	3% (359)	100% (13,392)
Public Housing	61% (17,891)	35% (10,210)	4% (1,444)	100% (29,545)
Other Regulated	88% (17,152)	10% (2,017)	2% (220)	100% (19,389)
Non-Regulated	56.5% (21,386)	32% (12,108)	11.5% (4,327)	100% (37,821)
ALL RENTERS	72% (170,843)	24% (55,911)	4% (11,385)	100% (238,139)

Source: 1999 New York City Housing and Vacancy Survey

York City were being demolished, this began to change in 1996, when the number of buildings demolished doubled from the previous year.³³ According to the NYC Department of Buildings, the high number of demolitions over the last few years is in large part due to the increased size of current and future developments. Larger projects require more space, sometimes an entire city block, and this calls for the demolition of more buildings. (See Appendix H.)

Prospects for Housing Programs

The U.S. Department of Housing and Urban Development (HUD) has seen its recent budget allocations increase to its highest levels in two decades. The \$32.4 billion budget for the current Fiscal Year (FY 2001) is the largest since 1981, and the allocation for homeless programs the largest ever, increasing \$105 million nationwide over the prior year. In particular, New York City will receive \$85 million for homeless programs.

The Bush administration has proposed a 6.8% increase in the HUD budget for FY 2002, including increases of \$197 million nationwide for 34,000 new Section 8 housing vouchers and \$150 million for public housing operating subsidies. It also emphasizes home ownership, with a number of new programs that are designed to aid lower-income tenants purchases first homes. These programs include the American Dream Downpayment Fund (\$200 million), designed to down payment assistance provided by third parties, and the Section 8 Homeownership Program, which would help low-income renters become homeowners by expanding the ability to use Section 8 vouchers for homeownership. Voucher-holders would be able to use up to one year's worth of Section 8 assistance for the down payment on a home. Families would then have the option of using their vouchers to pay the ongoing costs of a mortgage.

However, some critics of the president's proposed HUD budget dispute whether it is in reality being increased. Members of the Committee on Financial Services contend that the budget

proposal really includes a cut of \$2.2 billion. The discrepancy arises from accounting that allows the Federal Housing Authority (FHA) receipts to be added to the HUD budget, while in reality those funds are being diverted to help fund proposed tax cuts, and an increase in Section 8 budget authority that does not produce any additional spending.³⁴

Locally, in recent years, the City has focused its housing program primarily on disposing of properties it has acquired from tax delinquencies and abandonment. But in January 2001, the City administration sought to shift the emphasis by proposing the largest investment in housing in NYC in nearly a decade: a four-year, \$1.2 billion plan to build or renovate over 10,000 apartments.³⁵ The plans includes the renovation of about 7,000 existing units, including 1,100 vacant ones, the construction of 3,100 new units, and the development of commercial and retail space.

Conclusion

The residential housing market in New York City in the year 2000 primarily showed signs of improvement. Permits issued for new dwelling units reached a level not seen since the 1980s, the number of certificates of occupancy issued increased significantly from the prior year and there was a slight increase in the number of units that began to receive J-51 benefits for rehabilitation. However, the past year also saw a large decline in the number of newly constructed units receiving 421-a tax exemptions, as well as a housing market unable to keep pace with the City's increasing population.

Endnotes

1. 1999 American Housing Survey conducted by the U.S. Census Bureau.
2. Other units include public housing, Mitchell-Lama, *in rem*, HUD regulated, Article 4 and Loft Board units.
3. Percentages do not add up to 100% due to rounding.
4. Includes owner-occupied and owner-vacant and available-for-sale.
5. Conventional homes include privately owned units, houses and buildings that are not co-ops or condos.
6. Other units include public housing, Mitchell-Lama, *in rem*, HUD regulated, Article 4 and Loft Board units.
7. Landlord Information/Tax Incentives: 421-A, NYC Department of Housing Preservation and Development

- web site. World Wide Web page
<<http://nyc.gov/html/hpd/html/assistance/private-owner-tax-inc.html>>.
8. Department of City Planning. Housing Completions for Manhattan are compiled from the Yale Robbins, Inc. Residential Constructions in Manhattan Newsletter and the Final Certificate of Occupancy Issued listings from the Department of Buildings. For all other boroughs, the information is from Final Certificate listings only.
 9. "Building's New Incarnation: Ex-Coffin Plant Now Garden Apartments," by Jose Martinez, *Daily News*, September 20, 2000.
 10. "Healthy Downtown Office Market Triggers Flip-Flop Conversion," by Arthur Fefferman, *Real Estate Weekly*, November 8, 2000.
 11. Federal Reserve Board, "Federal Reserve Districts: Second District – New York", June 14, 2000. World Wide Web page <www.federalreserve.gov/FOMC/BeigeBook/2000/20000614/2.htm>.
 12. West Side SRO Law Project, quoting HPD data.
 13. "Resolving an Illegal Conversion Violation," NYC Dept. of Buildings. World Wide Web page <<http://nyc.gov/html/dob/html/illconbk.html>>.
 14. *Mayor's Management Report*, Preliminary Fiscal 2001.
 15. "Turning Up Heat on Landlords," by Merle English, *Newsday*, June 10, 2000.
 16. "Prices Cool a Little for Apartments in Manhattan," by Dennis Hevesi, *The New York Times*, October 27, 2000.
 17. "Middle-Income Housing," by Terry Pristin, *The New York Times*, September 21, 2000.
 18. 1999 NYC Housing and Vacancy Survey.
 19. Landlord Information/Tax Incentives: J-51, NYC Department of Housing Preservation and Development web site. World Wide Web page <<http://nyc.gov/html/hpd/html/assistance/private-owner-tax-inc.html>>.
 20. "Luxury-Rental Project on East Side is Converted to Condos," by Rachele Garbarine, *The New York Times*, September 22, 2000.
 21. "Breaking the Cycle of Abandonment: Using a Tax Enforcement Tool to Return Distressed Properties to Sound Private Ownership," by Christopher J. Allerd, NYC HPD, 2000.
 22. Data reported here on occupied *in rem* units in Central Management is for the most recent *calendar* year. Data reported on *in rem* units in Appendix G differs slightly as it reflects the most recent *fiscal* year.
 23. Community Service Society of New York, "Distressed Housing: Implementing New York City's Anti-Abandonment Agenda," February 1998 Urban Agenda Issue Brief.
 24. *Mayor's Management Report*, Preliminary Fiscal 2001
 25. Schill, Michael. "Housing Issues and Options for New York City", World Wide Web page <www.gothamgazette.com/commentary/78.schill.html#2>.
 26. NYC Dept. of Finance, Common Questions and Answers about New York City's Tax Lien Sale Process.
 27. *Mayor's Management Report*, Preliminary Fiscal 2001.
 28. "In Tenants the City Trusts? Advocates Party Over Transfer," by Matt Pacenza, *City Limits Weekly*, March 19, 2001.
 29. *Mayor's Management Report*, Preliminary Fiscal 2001.
 30. Supportive Housing Network of NY, 2001.
 31. NYC Independent Budget Office, "AIDS Housing Assistance: Budget Update," October 13, 2000.
 32. "Apartments Rise To Needs," by Mary Jane Fine, *Daily News*, March 4, 2001.
 33. In recent years, the DOB could not guarantee that the number of demolitions provided to the RGB contained residential units only.
 34. "Budget Blues and Fuzzy Math," *Shelterforce*, March/April 2001.
 35. "Housing Proposal Reflects Policy Shift," by Eric Lipton, *The New York Times*, Feb. 28, 2001.

Appendix

A. Permits Issued For Housing Units in New York City, 1960-2001

<u>Year</u>	<u>Bronx</u>	<u>Brooklyn</u>	<u>Manhattan</u>	<u>Queens</u>	<u>Staten Island</u>	<u>Total</u>
1960	--	--	--	--	--	46,792
1961	--	--	--	--	--	70,606
1962	--	--	--	--	--	70,686
1963	--	--	--	--	--	49,898
1964	--	--	--	--	--	20,594
1965	--	--	--	--	--	25,715
1966	--	--	--	--	--	23,142
1967	--	--	--	--	--	22,174
1968	--	--	--	--	--	22,062
1969	--	--	--	--	--	17,031
1970	--	--	--	--	--	22,365
1971	--	--	--	--	--	32,254
1972	--	--	--	--	--	36,061
1973	--	--	--	--	--	22,417
1974	--	--	--	--	--	15,743
1975	--	--	--	--	--	3,810
1976	--	--	--	--	--	5,435
1977	--	--	--	--	--	7,639
1978	--	--	--	--	--	11,096
1979	--	--	--	--	--	14,524
1980	--	--	--	--	--	7,800
1981	--	--	--	--	--	11,060
1982	--	--	--	--	--	7,649
1983	--	--	--	--	--	11,795
1984	--	--	--	--	--	11,566
1985	1,263	1,068	12,079	2,211	3,711	20,332
1986	920	1,278	1,622	2,180	3,782	9,782
1987	931	1,650	3,811	3,182	4,190	13,764
1988	967	1,629	2,460	2,506	2,335	9,897
1989	1,643	1,775	2,986	2,339	2,803	11,546
1990	1,182	1,634	2,398	704	940	6,858
1991	1,093	1,024	756	602	1,224	4,699
1992	1,257	646	373	351	1,255	3,882
1993	1,293	1,015	1,150	530	1,185	5,173
1994	846	911	428	560	1,265	4,010
1995	853	943	1,129	738	1,472	5,135
1996	885	942	3,369	1,301	2,155	8,652
1997	1,161	1,063	3,762	1,144	1,857	8,987
1998	1,309	1,787	3,823	1,446	2,022	10,387
1999	1,153	2,894	3,791	2,169	2,414	12,421
2000	1,646	2,904	5,110	2,723	2,667	15,050
2001	392 (303)	844 (472)	2,035 (1,266)	664 (500)	486 (625)	4,421 (3,166)

First three months of 2001. The number of permits issued in the first three months of 2000 is in parenthesis.

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch.

B. New Dwelling Units Completed in New York City, 1960-2000

<u>Year</u>	<u>Bronx</u>	<u>Brooklyn</u>	<u>Manhattan</u>	<u>Queens</u>	<u>Staten Island</u>	<u>Total</u>
1960	4,970	9,860	5,018	14,108	1,292	35,248
1961	4,424	8,380	10,539	10,632	1,152	35,127
1962	6,458	10,595	12,094	15,480	2,677	47,304
1963	8,780	12,264	19,398	17,166	2,423	60,031
1964	9,503	13,555	15,833	10,846	2,182	51,919
1965	6,247	10,084	14,699	16,103	2,319	49,452
1966	7,174	6,926	8,854	6,935	2,242	32,131
1967	4,038	3,195	7,108	5,626	3,069	23,036
1968	3,138	4,158	2,707	4,209	3,030	17,242
1969	1,313	2,371	6,570	3,447	3,768	17,469
1970	1,652	1,695	3,155	4,230	3,602	14,334
1971	7,169	2,102	4,708	2,576	2,909	19,464
1972	11,923	2,593	1,931	3,021	3,199	22,667
1973	6,294	4,340	2,918	3,415	3,969	20,936
1974	3,380	4,379	6,418	3,406	2,756	20,339
1975	4,469	3,084	9,171	2,146	2,524	21,394
1976	1,373	10,782	6,760	3,364	1,638	23,917
1977	721	3,621	2,547	1,350	1,984	10,223
1978	464	345	3,845	697	1,717	7,068
1979	405	1,566	4,060	1,042	2,642	9,715
1980	1,709	708	3,306	783	2,380	8,886
1981	396	454	4,416	1,152	2,316	8,734
1982	997	332	1,812	2,451	1,657	7,249
1983	757	1,526	2,558	2,926	1,254	9,021
1984	242	1,975	3,500	2,291	2,277	10,285
1985	557	1,301	1,739	1,871	1,939	7,407
1986	968	2,398	4,266	1,776	2,715	12,123
1987	1,177	1,735	4,197	2,347	3,301	12,757
1988	1,248	1,631	5,548	2,100	2,693	13,220
1989	847	2,098	5,979	3,560	2,201	14,685
1990	872	929	7,260	2,327	1,384	12,772
1991	656	764	2,608	1,956	1,627	7,611
1992	802	1,337	3,750	1,498	1,136	8,523
1993	886	616	1,810	801	1,466	5,579
1994	891	1,035	1,927	1,523	1,572	6,948
1995	1,148	1,647	2,798	1,013	1,268	7,874
1996	1,079	1,583	1,582	1,152	1,726	7,122
1997	1,327	1,369	816	1,578	1,791	6,881
1998	567	1,333	5,175	1,263	1,751	10,089
1999	1,218	1,025	2,341	2,119	2,234	8,937
2000	1,385	1,485	6,111	2,007	1,917	12,905

Note: Dwelling unit count is based on the number of Final Certificates of Occupancy issued by N.Y.C. Department of Buildings, or equivalent action by the Empire State Development Corporation or N.Y.S. Dormitory Authority. In addition, housing completions in Manhattan are also compiled from the Yale Robins, Inc. Residential Construction in Manhattan newsletter. The N.Y.C. Dept. of City Planning revised several borough figures from 1990 through 2000, which are reflected above.

Source: New York City Department of City Planning, Certificates of Occupancy issued in Newly Constructed Buildings.

C. Number of Residential Cooperative and Condominium Plans Accepted for Filing By the Attorney General's Office, 1997-2000

	1997	1998	1999	2000
Private Plans	<u>Plans (Units)</u>	<u>Plans (Units)</u>	<u>Plans (Units)</u>	<u>Plans (Units)</u>
New Construction	33	69 (3,225)	50 (1,123)	87 (1,911)
Rehabilitation	0	45 (812)	30 (1,029)	15 (220)
Conversion (Non-Eviction)	4	19 (210)	12 (359)	9 (738)
Conversion (Eviction)	0	0	1 (48)	1 (24)
Private Total	37 (900-1,300) ^β	133 (4,247)	93 (2,559)	112 (2,893)
HPD Sponsored Plans	<u>Plans (Units)</u>	<u>Plans (Units)</u>	<u>Plans (Units)</u>	<u>Plans (Units)</u>
New Construction	NA	0	0	0
Rehabilitation	NA	3 (14)	0	0
Conversion (Non-Eviction)	NA	21 (176)	0	0
Conversion (Eviction)	NA	0	26 (295)	8 (179)
HPD Total	NA	24 (190)	26 (295)	8 (179)
Grand Total	37 (900-1,300) ^β	157 (4,437)	119 (2,854)	120 (3,072)

Note: Figures exclude "Homeowner" and "Commercial" plans/units.

NA: Attorney General's Office does not have this data available due to a change in reporting systems.

β Number of units is estimated from the average building size of coop/condo plans submitted in prior years.

The Attorney General's Office did not differentiate between non-eviction and eviction conversions.

Source: New York State Attorney General's Office, Real Estate Financing Bureau.

D. Number of Units in Cooperative and Condominium Plans Accepted for Filing By the New York State Attorney General's Office, 1981-2000

Year	New Construction	Conversion Eviction	Conversion Non-Eviction	Total New Construction & Conversion	Units in HPD Sponsored Plans
1981	6,926	13,134	4,360	24,420	925
1982	6,096	26,469	16,439	49,004	1,948
1983	4,865	18,009	19,678	42,552	906
1984	4,663	7,432	25,873	37,968	519
1985	9,391	2,276	30,277	41,944	935
1986	11,684	687	39,874	52,245	195
1987	8,460	1,064	35,574	45,098	1,175
1988	9,899	1,006	32,283	43,188	1,159
1989	6,153	137	25,459	31,749	945
1990	4,203	364	14,640	19,207	1,175
1991	1,111	173	1,757	3,041	2,459
1992	793	0	566	1,359	1,674
1993	775	41	134	950	455
1994	393	283	176	852	901
1995	614	321	201	1,136	935
1996	NA	NA	NA	750-1,000 ^β	NA
1997	NA	NA	NA	900-1,300 ^β	NA
1998	3,225	0	386	3,611	190
1999	1,123	343*	359	1,825*	295
2000	1,911	203	738	2,852	179

Note: HPDPlans are a subset of all plans and include rehabilitation plans; the total column does not contain rehabilitation plans explaining why HPD plans are higher than the total in some years.

NA: The Attorney General's Office does not have this data available at present due to a change in reporting systems.

β Number of units is estimated from the average building size of coop/condo plans submitted in prior years.

* These numbers were revised from the previous year's report.

Source: New York State Attorney General's Office, Real Estate Financing Bureau.

E. Tax Incentive Programs

Buildings Receiving Certificates for 421-a Exemptions, 1998-2000

	1998		1999		2000	
	Certificates	Units	Certificates	Units	Certificates	Units
Bronx	8	138	14	322	5	316
Brooklyn	31	397	37	457	30	448
Manhattan	9	1,389	21	4,591	9	1,106
Queens	21	222	37	637	39	958
Staten Island	2	72	2	116	0	0
Total	71	2,118	111	6,123	83	2,828

Buildings Receiving J-51 Tax Abatements and Exemptions, 1998-2000

	1998			1999			2000		
	Buildings	Units	Certified Cost (\$1,000s)	Buildings	Units	Certified Cost (\$1,000s)	Buildings	Units	Certified Cost (\$1,000s)
Bronx	196	10,239	\$17,911	285	9,344	\$22,444	-	17,215	\$24,258
Brooklyn	565	22,060	\$26,094	2,968	19,819	\$25,787	-	16,090	\$25,185
Manhattan	1,005	46,007	\$53,666	879	23,763	\$45,173	-	25,377	\$42,124
Queens	477	24,324	\$15,336	639	27,129	\$18,729	-	23,510	\$11,779
Staten Island	15	897	\$760,600	24	2,066	\$7,351	-	1,733	\$6,197
Total	2,258	103,527	\$113,768	4,795	82,121	\$119,484	-	83,925	\$109,543

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

F. Tax Incentive Programs - Units Receiving Initial Benefits, 1981-2000

Year	421-a	J-51
1981	3,505	--
1982	3,620	--
1983	2,088	--
1984	5,820	--
1985	5,478	--
1986	8,569	--
1987	8,286	--
1988	10,079	109,367
1989	5,342	64,392
1990	980	113,009
1991	3,323	115,031
1992	2,650	143,593
1993	914	122,000
1994	627	60,874
1995	2,284	77,072
1996	1,085	70,431
1997	2,099	145,316
1998	2,118	103,527
1999	6,123	82,121
2000	2,828	83,925

Source: New York City Department of Housing Preservation and Development, Office of Development, Tax Incentive Programs.

G. City-Owned Properties, Fiscal Years 1985-2001

Fiscal Year	Central Management				Alternative Management		Vestings		Buildings Sold
	Occupied Units	Occupied Buildings	Vacant Units	Vacant Buildings	Units	Buildings	Units	Buildings	Buildings
1985	38,561	4,102	56,474	5,732	12,825	542	--	--	531
1986	39,632	4,033	55,782	5,662	13,375	583	--	--	275
1987	38,201	4,042	48,987	4,638	13,723	587	--	--	621
1988	37,355	3,628	37,734	3,972	14,494	624	--	--	58 +
1989	32,377	3,359	45,724	3,542	17,621	780	--	--	72
1990	33,851	3,303	37,951	3,110	14,800	705	3,323	292	112
1991	32,783	3,234	30,534	2,796	12,695	615	2,288	273	140
1992	32,801	3,206	22,854	2,368	--	--	1,462	197	--
1993	32,078	3,098	17,265	2,085	9,237	470	2,455	211	162
1994	30,358	2,992	13,675	1,763	8,606	436	715	69	81
1995	27,922	2,885	11,190	1,521	7,903	433	240	17	170
1996	24,503	2,684	9,971	1,349	6,915	393	49	2	386
1997	22,298	2,484	8,177	1,139	5,380	289	0	0	253
1998	19,084	2,232	7,511	1,021	6,086	305	0	0	206
1999	15,333	1,905	6,664	869	6,640	401	0	0	251
2000	13,613	1,730	6,295	805	6,282	382	0	0	136
2001 ^B	10,504	1,334	5,741	657	6,829	380	0	0	252

Note: HPD could not confirm vestings data prior to FY 1990.

^B Plan for FY 2001, excluding data in vestings columns.

Source: N.Y.C. Office of Operations, Preliminary Fiscal 2001 *Mayor's Management Report*; N.Y.C. Department of Housing Preservation and Development.

H. Building Demolitions in New York City, 1985-2000

Year	Bronx		Brooklyn		Manhattan		Queens		Staten Island		Total	
	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total	5+ Units	Total
1985	81	157	3	101	59	73	3	133	1	31	147	495
1986	48	96	14	197	19	38	3	273	4	67	88	671
1987	14	55	2	130	22	33	1	273	6	83	45	574
1988	3	34	2	169	25	44	2	269	0	160	32	676
1989	6	48	8	160	20	38	3	219	0	109	37	574
1990	4	29	3	133	20	28	5	119	0	71	32	380
1991	10	33	15	95	9	14	1	68	0	32	35	242
1992	12	51	6	63	2	5	1	41	0	33	21	193
1993	0	17	4	94	0	1	3	51	0	5	7	168
1994	3	14	4	83	5	5	2	42	0	8	14	152
1995	2	18	0	81	0	0	2	37	0	17	4	153
1996	--	30	--	123	--	25	--	118	--	84	--	380
1997	--	29	--	127	--	51	--	168	--	119	--	494
1998	--	71	--	226	--	103	--	275	--	164	--	839
1999	--	67	--	211	--	53	--	227	--	159	--	717
2000	--	64	--	499	--	101	--	529	--	307	--	1,500

Note: The Census Bureau discontinued collecting demolition statistics in December, 1995. The New York City Department of Buildings began supplying the total number of buildings demolished from 1996 forward, and cannot specify whether buildings are residential, nor if they have 5+ units.

Source: U.S. Bureau of the Census, Manufacturing and Construction Division, Building Permits Branch; New York City Department of Buildings.