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## Affordable housing stock rises, but overall percentage drops

By Kelly Weill



Construction of affordable housing is on the rise in New York City even though the city's overall percentage of affordable units is declining.

During Fiscal Year 2015, which ended June 30, construction began on 8,483 affordable units, according to a New York Building Congress analysis of New York City Department of Housing Preservation and Development data. The figure shows a promising jump in affordable housing availability, up nearly 80 percent from the approximately 4,700 affordable units on which construction started in Fiscal Year 2014. But these gains are dwarfed by F.Y. 2015's new market rate and luxury developments.

In F.Y. 2010, 55 percent of all new housing construction was affordable, according to the report. As the city recovered from the recession, this percentage dropped, to 23 percent in F.Y. 2014, and just 16 percent in F.Y. 2015.

The city's surge in new developments, both market-rate and affordable, can be linked to the uncertain future of the 421-a tax abatement. To obtain a 421-a subsidy, developers were required to begin construction by June 15, a deadline made all the more urgent by the possibility of 421-a's June expiration.

Though 421-a was renewed with some updated provisions, developers rushed to file for and begin construction on new buildings, securing permits before the subsidy's potential expiration. The building rush resulted in permits for 52,618 new residential units in F.Y. 2015, a 156 percent increase from F.Y. 2014's 20,574 units.

If the city is to reach Mayor Bill de Blasio's affordable housing goals, developers must include more affordable units in their residential projects, the Building Congress wrote in its report.

"Mayor de Blasio has declared that he will create 80,000 new units of affordable housing over the next decade, and he's off to a strong start," Building Congress president Richard T. Anderson said in a statement. "In order to sustain and build upon it, his administration, with the help of Albany, will need to find a way to entice developers to include an even greater percentage of affordable units in their market-driven development projects."