

Summary

The report covers the 2019 rent registrations of buildings receiving 421a(1-15) partial tax exemption (“421-a Tax benefit”).

Technical Notes

The HCR registration data used in the report include annual building and unit registrations for 2019. HPD received these data in March of 2020. Registration data contain the following fields that are used in the report: Primary House Number, Street address (up to three primary house numbers and street addresses for each unit), apartment number, registration number, BBL (Borough, block, and lot), legal rent, and 421-a unit type.

Section 8a of the HCR annual apartment registration form contains two check-boxes related to 421-a. An owner may select “421-a Income Restricted Unit” or “421-a Market Rate Unit.” These check boxes are coded as a variable in the apartment registration file called “421-a unit type,” which takes one of two values, “INCOME RESTRICTED” or “MARKET RATE” (or it is blank).

Property Exemption Detail data are published on NYC OpenData by the Department of Finance (DOF). These data are used to determine which BBLs received tax benefits through the 421-a program in 2020. The Property Exemption Detail database that was used for this report was published by DOF on June 4th, 2020.

The universe of the report was defined as all registered units in buildings that matched with a record in the DOF Property Exemption Detail database that received a 421-a exemption, excepting units in 1-3 family homes, and units on properties that received a benefit through 421-a(16). Units and buildings meeting either of these criteria were excluded from the report. The building class variable native to the DOF Property Exemption Detail database was used to determine which units were parts of 1-3 family homes, i.e. on lots with the building class “A1,” “A9,” “B1,” “B2,” “B3,” “B9,” or “C0.”

The report comprises two lists, one of buildings and one of units. The building list contains the following fields: A unique numeric identifier for each building, Borough, address, count of registered units, count of units marked as either “income restricted” or “market rate,” and count of units marked as “income restricted.” The unit list contains the following fields: A unique numeric identifier for each unit, Borough, Community District, and legal rent (rounded to the nearest \$50). Legal rent is not displayed for units that were registered with a legal rent of \$0. Borough and Community District are not displayed for units that were in Community Districts with four or fewer buildings in the building list part of the report. The Borough and Community District of these records is replaced by an asterisk in the report. Both lists are sorted by their respective unique identifiers meaning that consecutive apartments are not necessarily in the same building.

There are three unit count fields included in the report’s building list. (1) The count of registered units in the building. (2) The count of registered units that were marked either “income restricted” or “market rate” according to unit registration. (3) The count of registered units that were marked “income restricted” according to unit registration.

Classification of a unit as “Income Restricted” or “Market Rate” is based on the self-report of unit owners or managers who register these units. There is likely some human error involved with this field. Units may be erroneously classified as income restricted or market rate when they should be the reverse or when they should not be classified as a 421-a unit at all.

The following steps were taken to maximize match results and reduce the number of units that would be omitted from the report due to an incorrect non-match: Up to six addresses for each registered unit were geocoded and returned up to six BBLs that could be used to match each unit. Registration data include up to three addresses, and each address may include a ranged PHN, for example, “100 TO 120 Gold Street,” in these cases, both the low and high PHN were geocoded to increase the chances of successfully returning a BBL for that unit. It was rare that a single unit would have six different addresses because not all units had all three address fields populated and not all PHNs included ranges. Registration data also often include a BBL in the data natively, which was used to improve match results. In total, there were up to seven BBLs for each HCR address that could be matched to records in the DOF Property Exemption Detail database that received a 421-a exemption. DOF Property Exemption Detail data are inherently structured at a BBL level and use individual condo tax lots for all units in a condominium building. These data were linked to DOF’s FY20 Property Master Database in order to attach the billing BBL of a condominium to all units in that condominium. This BBL replaced the native BBL for condo tax lots in the DOF Property Exemption Detail database because geocoded addresses in HCR registration data are associated with billing lots and not individual unit lots. After geocoding, registered units were matched (using any of the seven BBLs) to records in the DOF Property Exemption Detail database that received a 421-a exemption (using the billing BBL).

There are several types of residential units that are not included in this report. Condo and cooperative units that receive 421-a benefits are not required to register with HCR; the report does not include these units. Units that were not yet completed, but that were receiving 421-a construction period benefits in 2020 are not included in the report. Units that registered after the registration data were pulled (March 2020) are not included in the report (see the paragraph below). Annual HCR registration data were used to determine the universe of the report, so units that had an initial registration but no annual registration are not included in the report. Units that were part of projects that opted in to the 421-a(16) new program, that is, subdivision 16 of the 421-a law are not included in the report. Units in 1-3 family homes are not included in the report.

Annual unit registration for a given year represents a unit’s status on April 1st of that year and must be submitted by July 31st of that year. However, some units are registered after this deadline. These “retroactive registrations” may occur months or years after the actual registration period ends. The registration data that were used to create the report were pulled in March 2020 and represent a snapshot of the registrations at that time. Units may be registered after these data were pulled, but they would not be included in the report.