

TAX INCENTIVES & AFFORDABLE HOUSING

OUR PRACTICE

Rosenberg & Estis, P.C. is New York City's premier real estate law firm, with unmatched experience in navigating the city's complex web of tax incentives and affordable housing opportunities.

Successfully navigating New York City's ever-evolving tax incentive programs and affordable housing requirements demands deep legal knowledge, policy expertise, and an understanding of agency processes. Our Tax Incentives & Affordable Housing Unit combines decades of experience advising on real estate developments across the city—from ground-up residential and mixed-use projects to complex conversions and adaptive reuse.

We provide strategic counsel to developers, property owners, lenders, investors, architects, engineers, and other stakeholders, ensuring optimal use of economic incentives while maintaining compliance with regulatory obligations.

AREAS OF FOCUS

- Residential Property Tax Incentives
- Residential Zoning Incentives and Requirements
- Non-Residential Property Tax Incentives
- Optimizing Development Under Multiple Incentive Programs
- Affordable Housing Finance





OUR SERVICES

COMPREHENSIVE PLANNING

We integrate property tax incentives with zoning regulations, financing structures, and ownership models to maximize long-term returns and project viability.

ELIGIBILITY ASSESSMENT & DILIGENCE

We identify which as-of-right or discretionary programs apply to your project—whether new construction, conversion, or expansion—and confirm eligibility through careful legal and financial analysis.

START TO FINISH ASSISTANCE

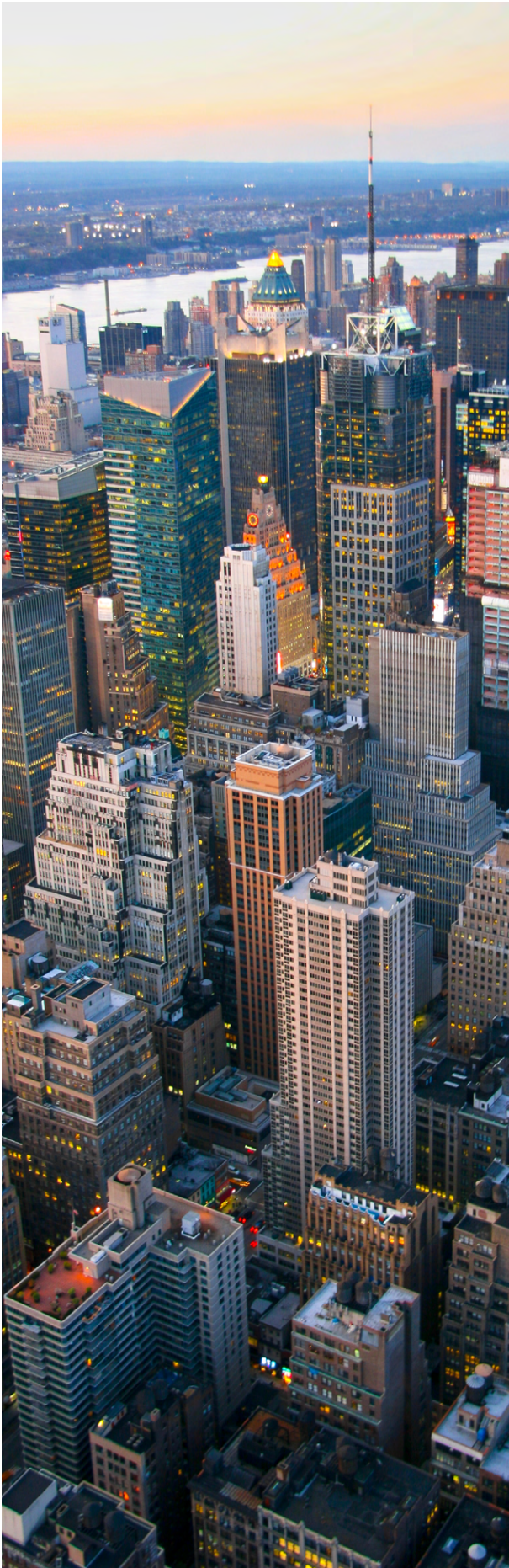
From pre-development through project closeout, we assist with government negotiations, affordability compliance, wage and hiring mandates, regulatory filings, and securing benefit approvals from NYC and NYS agencies.

RESIDENTIAL PROPERTY TAX INCENTIVES

As of Right and Discretionary Residential Property Tax Incentive Programs:

- **485-X: AFFORDABLE NEIGHBORHOODS FOR NEW YORKERS ("ANNY")**

Applies to projects commencing on or after June 16, 2022, providing up to 40 years of property tax exemption benefits, including 100% exemption from increased property taxes due to new construction. Requires 20–25% affordability, with benefits tied to project details, successor to expired 421-a program.



KEY FEATURES:

- Permanent rent stabilization for affordable units.
- Construction wage thresholds for projects with 100+ units.
- MWBE participation goals of 25% for design and construction contracts.

[Learn more here: [Brochure](#), [Video interview](#)]

• 467-M: AFFORDABLE HOUSING FROM COMMERCIAL CONVERSIONS ("AHCC")

Applies to projects commencing after December 31, 2022. Offers up to 90% property tax exemption for projects converting non-residential buildings into mixed-income rentals, with at least 25% of units affordable.

CONSIDERATIONS:

- Permanent rent stabilization for affordable units.
- Restrictions on expanded Gross Cubic Content.
- Optimization strategies for phased conversions.

[Learn more here: [Brochure](#), [Video interview](#)]

• 421-A: AFFORDABLE NEW YORK HOUSING PROGRAM ("ANYHP")

Applies to eligible residential construction projects with a "Commencement Date" on or before June 15, 2022. Offers a 100% exemption from increased property taxes due to new construction for up to 35 years.

- Includes rent stabilization for affordable units.
- Construction wage requirements for larger projects.
- Market-rate units may be exempt from rent regulation under certain rent thresholds.

[Learn more here: [Brochure](#)]

• J-51R: PROPERTY TAX ABATEMENT FOR RESIDENTIAL RENOVATIONS

Incentivizes renovation of rental and homeownership buildings, offering tax abatements based on certified construction costs.

ELIGIBILITY INCLUDES:

- Rentals with 50% of units $\leq$ 80% AMI or receiving government assistance.
- Cooperatives/condos below assessed value thresholds.

NOTE: Pre-commencement filing is critical to preserve benefits.

[Learn more here: [Article](#), [Webinar](#)]



- **420-C: EXEMPTION FOR TAX CREDIT-FINANCED AFFORDABLE HOUSING**

Grants up to a 100% property tax exemption for LIHTC-financed projects owned by not-for-profits or partnerships with not-for-profit control.

- Applies to low- and moderate-income housing.
- Community facilities (Use Groups 3 or 4) may qualify.
- Requires HPD regulatory agreement.

- **ARTICLE XI: PRIVATE HOUSING FINANCE LAW**

A discretionary NYC property tax exemption program replacing property tax with a "shelter rent" formula for eligible affordable housing projects.

HIGHLIGHTS:

- Up to 40 years of exemption.
- Minimum 65% affordability required.
- Requires HPD and City Council approval.

RESIDENTIAL ZONING INCENTIVES AND REQUIREMENTS

New York City's zoning framework allows developers to build or increase residential floor area in exchange for permanent affordability commitments.

- **UNIVERSAL AFFORDABILITY PREFERENCE (UAP)**

Effective December 5, 2024, UAP replaces VIH and allows a 1:1 bonus for affordable floor area provided.

- Applies to new construction, preservation, and conversions.
- Units must average 60% AMI across no more than 3 income bands.
- Requires restrictive declaration and completion certification with HPD.



- **MANDATORY INCLUSIONARY HOUSING (MIH)**

Applies where rezonings increase residential development potential.

- Requires 20–30% of floor area to be affordable.
- Offers four AMI options (40–115% AMI).
- HPD restrictive declaration and completion certification required.

- **VOLUNTARY INCLUSIONARY HOUSING (VIH)**

Predecessor to UAP, still applicable to vested developments.

- Bonus of up to 3.5:1 for affordable floor area.
- Bonus transfer limited to specific community districts or within 0.5 miles.
- Varies by location of "Generating Site."

NON-RESIDENTIAL PROPERTY TAX INCENTIVES

- **ICAP: INDUSTRIAL & COMMERCIAL ABATEMENT PROGRAM**

Provides partial abatement of tax increases from eligible commercial and industrial improvements for up to 25 years.

IMPORTANT REQUIREMENTS:

- Preliminary application must be filed before construction permits are issued.
- Minimum expenditure thresholds apply.
- M/WBE bid solicitation requirements before contract award.

[Learn more here: [Brochure](#), [Video Interview](#)]



OPTIMIZING DEVELOPMENT UNDER MULTIPLE INCENTIVE PROGRAMS

The best value of economic incentives is obtained when you understand how to structure these programs together. We specialize in:

- Comparative analysis of property tax and net operating income data, both gross and net of tax incentives / zoning incentives and affordability requirements, to find the optimal programs for your project.
- Combining zoning incentives / requirements (UAP, MIH, VIH) with property tax incentives (485-x, 467-m, 421-a, ICAP, etc.).
- Structuring projects to obtain multiple benefits, align with financing and ownership requirements and for other reasons, via condominium declaration formation. We have extensive experience forming condominium regimes and can assist with this.

Our decades of experience with NYC economic incentives allows us to help your project take full advantage of available property tax incentives, zoning incentives, affordability requirements while meeting regulatory requirements.



CONTACT US

Rosenberg & Estis, P.C. provides comprehensive legal services to the real estate community, including land use/zoning, affordable housing, tax projections, construction contracts, rent regulatory guidance, DHCR registrations, lease preparation, acquisitions, leasing and financing, litigation and more. We are here to help developers qualify their projects for economic incentives / satisfy regulatory requirements and we regularly diligence these issues for potential purchasers and lenders.

R&E's Tax Incentives & Affordable Housing team includes the following:

- **DANIEL M. BERNSTEIN** – Member; Head of Tax Incentives & Affordable Housing Unit; Head of NYC Development Group, Administrative Law Group
Email: dbernstein@rosenbergestis.com
Phone: (212) 551-1257
- **NICHOLAS DILORENZO** – Member; Tax Incentives & Affordable Housing Unit; NYC Development Group; Administrative Law Group.
Email: ndilorenzo@rosenbergestis.com
Phone: (212) 551-1215
- **DAVID J. ROSENBERG** – Member; Transactions Group; NYC Development Group.
- **DAVID GOLDFISCHER** – Counsel; Tax Incentives & Affordable Housing Unit; Administrative Law Group.
- **D'SHANDI COOMBS** – Juris Doctor; Tax Incentives & Affordable Housing Unit; Administrative Law Group.
- **DIANE CALDERONE** – Paralegal; Tax Incentives & Affordable Housing Unit; Administrative Law Group

The experienced members of our team are here to support your real estate developments, acquisitions and financings. Contact us today to discuss how we can assist with your development or transaction.