



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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July 10, 2014

Andrew Berman
Executive Director
Greenwich Village Society for Historic Preservation
232 East 11th Street
New York, NY 10003

Dear Mr. Berman:

In response to your request the Independent Budget Office (IBO) analyzed the number of rent-regulated apartments in historic districts in New York City. There are 41,299 rent-regulated units in areas designated as historic districts, according to data reported by regulated building owners in 2012, the most recent year available, which accounts for approximately 5 percent of the city's total 841,865 units of rent-regulated housing. More than two-thirds of historic districts (88 out of 126) contained at least one rent-regulated apartment in 2012. Because rent regulation generally applies to buildings with six or more units, IBO limited our analysis to buildings with six or more units. (See "Data and Methods" section). While this analysis relies on the best available data on the city's rent-regulated housing stock, the actual number of regulated units—both citywide and those within historic districts—is likely somewhat higher than these estimates because of incomplete reporting by regulated building owners.

Slightly Less Than Half of Rental Housing in Historic Districts is Rent-Regulated

| | Total Citywide | Within Historic Districts | Outside Historic Districts |
|---|-----------------------|----------------------------------|-----------------------------------|
| Residential Units | 3,451,037 | 190,872 | 3,260,165 |
| Rental Units | 1,581,346 | 85,243 | 1,496,103 |
| <i>Units in Rental Buildings</i> | 1,519,521 | 79,075 | 1,440,446 |
| Rent-Regulated Units | 841,865 | 41,299 | 800,566 |
| <i>Rent-Regulated Units in Rental Buildings</i> | 780,040 | 35,131 | 744,909 |
| <i>Rent-Regulated Units in Other Buildings</i> | 61,825 | 6,168 | 55,657 |
| % of Rental Units Under Regulation | 53% | 48% | 54% |

NOTES: Only units in buildings with six or more apartments are included in the rent-regulated and rental unit counts. *Rental Units* is the sum of *Units in Rental Buildings* and *Rent-Regulated Units in Other Buildings*, which represents rent-regulated housing in buildings that are not designated as rental in city data, for example, in buildings that converted to condos or coops or in certain hotels. We assume that all rental housing in these types of buildings is under regulation. The presence of unregulated rental housing in those buildings would mean that there are more rental units in the city and that a smaller share is under rent regulation.

SOURCES: IBO analysis of NYS Division of Homes and Community Renewal and NYC Department of City Planning data.

Data and Methods. The data for this analysis were taken from four sources. The first and main source of data for the number of units under rent regulation is annual rent-registration filings obtained by IBO from the New York State Division of Homes and Community Renewal (DHCR) for 2012, the most recent year available. Every year, the owners of rent-regulated apartments are required to register with DHCR. These filings include the number of apartments that are rent regulated, the rents of the apartments, as well as the reason for the rent regulation. However, not all rent-regulated apartment owners file each year. This may be because all of the units in their building have been deregulated (although buildings are supposed to file through the year the last apartment in their building is deregulated) or because they simply neglected to file.

IBO augmented the list of rent-regulated buildings from DHCR with data from the city's Department of Finance's (DOF) Open Balance file. Rent-regulated building owners are required to pay the city an annual fee for each rent-regulated apartment in the property. Because this is a per-unit fee, IBO was able to determine the number of regulated apartments in the small share of buildings that did not register with DHCR, but did pay the fee to the city. Nearly all of the rent-regulated unit data came from the DHCR registration lists with less than 1 percent coming percent from the Open Balance file.

The list of buildings with rent-regulated units was then matched with building-level data from the MapPLUTO files for 2013 maintained by the Department of City Planning to determine the total number of residential units, the total number of units in rental buildings, and whether the building was in a historic district. We used the most recent MapPLUTO file to include historic districts as of October 2013, even though the registration data is from an earlier year.

Because rent regulation generally applies to buildings with six or more units, IBO excluded rent-regulated units in smaller buildings from the total rent-regulated unit counts. Citywide, there are an additional 12,710 units of rent-regulated units reported in buildings with less than six units (less than 1.5 percent of all units under rent-regulation). Of those, 813 are within historic districts and 11,987 are outside historic districts. IBO also excluded 3,537 units of rent-regulated housing that registered with the state, but could not be matched with other city data and we were unable to determine if the building was in a historic district.

For this analysis, rental housing is defined as the sum of all units in rental buildings with six or more units plus the regulated units in non-rental buildings, which are primarily coop and condo buildings following conversion and certain rooms in hotels or dormitories. Our assumptions are that all rental housing in those buildings is under regulation and that units not under regulation are either privately owned or rented on a short-term basis (for example, as hotel rooms). If there are rental units in these buildings that are not under regulation, our analysis overstates the share of rental housing that is regulated.

The rent-regulated building list was also matched with DOF Real Property Assessment database to determine whether buildings with regulated units were receiving either a 421-a or 421-g property tax exemption in 2012. Because the rents in these buildings are often higher than those of buildings under traditional rent regulation, IBO broke out these units.

Regulated Housing as Share of Units in Rental Housing. IBO found that there are 190,872 units of residential housing in historic districts. Of those, 41,299 units are reported as rent-regulated, which includes units in coop and condo buildings still under regulation following conversion and certain units in hotels. Of all rental units in historic districts, 48 percent are under regulation. To compare this with housing located outside of historic districts, there are approximately 3.3 million units of residential housing not within a historic district; approximately 1.5 million of those units are rentals. With 800,566 units of reported rent-regulated housing in areas not designated as a historic district, a slightly higher share of rental housing (54 percent) is regulated outside of historic districts.

Regulation Due to Tax Benefits. IBO also examined the number of units that were under rent regulation because the building is receiving a tax benefit from the city, specifically through the 421-a exemption program for the construction of eligible multifamily housing and the 421-g tax exemption program for the conversion of some commercial space to housing in Lower Manhattan. (The authority to approve new 421-g exemptions expired in 2006, but many remain in effect.) Under both programs, owners are exempt from increases in property taxes for a certain period of time. While the exemption remains in effect for a property, rents in the buildings are subject to rent regulation. Tax status was based on whether the property tax roll showed the parcel receiving the tax exemption in 2012 rather than the self-reported tax exemption status on the rent regulation registration data.

Some 787 units of housing in historic districts that reported being rent-regulated in 2012 were receiving a 421-a or 421-g tax exemption. This accounts for 2 percent of the total rent-regulated units in the historic districts. In areas outside of historic districts, a larger share of units that registered as rent regulated in 2012 were receiving a 421-a or 421-g tax exemption, 7 percent or 55,469 units.

Appendix. Included with this letter is an appendix that contains a list of the historic districts with rent-regulated unit counts. Because data on regulation status of units is confidential according to state law, IBO only provided district-level totals for historic districts that contain more than three rent-regulated buildings. Therefore, 17 historic districts with regulated units in 2012 are not included in the appendix. These excluded districts, however, contain only a small number of rent-regulated units (497). Thus, the vast majority of regulated units in historic districts that registered in 2012 (97 percent) are included in the appendix.

If you have any questions, please feel free to contact me at 212-341-6045 or anac@ibo.nyc.ny.us or Elizabeth Brown, IBO's housing analyst who completed the analysis, at 212-341-6086 or elizabethb@ibo.nyc.ny.us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ana B. Champeny".

Ana Champeny

APPENDIX: HISTORIC DISTRICTS WITH RENT-REGULATED UNITS

| Historic District | Total Residential Units | Total Units in Rental Buildings | Total Rental Units In Other Buildings | Total Rental Units | Rent-Regualted Units 2012 | Share of Rental Units Regulated |
|--|-------------------------|---------------------------------|---------------------------------------|--------------------|---------------------------|---------------------------------|
| Audubon Park | 1,231 | 723 | 109 | 832 | 699 | 84% |
| Bed Stuy/Expanded Stuyvesant Heights | 2,427 | 608 | - | 608 | 185 | 30% |
| Boerum Hill | 1,011 | 61 | - | 61 | 31 | 51% |
| Brooklyn Heights | 10,100 | 3,950 | 315 | 4,265 | 1,700 | 40% |
| Carnegie Hill | 291 | 159 | - | 159 | 26 | 16% |
| Charlton-King-Vandam | 563 | 284 | 10 | 294 | 109 | 37% |
| Chelsea | 1,016 | 510 | 6 | 516 | 236 | 46% |
| Chelsea Historic District Extension | 987 | 330 | 65 | 395 | 144 | 36% |
| Clay Avenue | 146 | 73 | - | 73 | 53 | 73% |
| Clinton Hill | 4,480 | 1,623 | 155 | 1,778 | 934 | 53% |
| Cobble Hill | 3,552 | 708 | 134 | 842 | 484 | 57% |
| Crown Heights North | 2,528 | 1,698 | 11 | 1,709 | 1,052 | 62% |
| Crown Heights North II | 3,086 | 1,781 | 72 | 1,853 | 1,055 | 57% |
| DUMBO | 1,458 | 425 | - | 425 | 315 | 74% |
| East 10th Street | 204 | 146 | 2 | 148 | 43 | 29% |
| East 17th Street/Irving Place | 85 | 74 | - | 74 | 14 | 19% |
| East Village/ Lower East Side | 3,367 | 3,000 | 16 | 3,016 | 1,209 | 40% |
| Expanded Carnegie Hill | 3,667 | 640 | 40 | 680 | 217 | 32% |
| Fort Greene | 3,062 | 999 | 15 | 1,014 | 476 | 47% |
| Gansevoort Market | 585 | 456 | - | 456 | 62 | 14% |
| Gramercy Park | 608 | 197 | 9 | 206 | 90 | 44% |
| Grand Concourse | 5,981 | 4,120 | 217 | 4,337 | 3,698 | 85% |
| Greenpoint | 1,399 | 622 | 18 | 640 | 448 | 70% |
| Greenwich Village | 21,496 | 9,628 | 718 | 10,346 | 4,253 | 41% |
| Greenwich Village Historic Dist. Ext. | 548 | 314 | 22 | 336 | 89 | 26% |
| Greenwich Village Historic Dist. Ext. II | 2,405 | 1,783 | 6 | 1,789 | 537 | 30% |
| Hamilton Heights | 734 | 394 | 17 | 411 | 184 | 45% |
| Hamilton Heights Extension | 717 | 554 | 2 | 556 | 361 | 65% |
| Hamilton Heights/Sugar Hill | 1,534 | 985 | 25 | 1,010 | 584 | 58% |
| Hamilton Heights/Sugar Hill District Ext | 197 | 182 | - | 182 | 152 | 84% |
| Hamilton Heights/Sugar Hill Northeast | 999 | 831 | - | 831 | 646 | 78% |
| Hamilton Heights/Sugar Hill Northwest | 826 | 494 | 8 | 502 | 178 | 35% |
| Jackson Heights | 8,024 | 3,149 | 244 | 3,393 | 3,088 | 91% |
| Ladies' Mile | 2,502 | 1,104 | 17 | 1,121 | 745 | 66% |
| Lamartine Place | 141 | 102 | 3 | 105 | 62 | 59% |
| Madison Square North | 789 | 462 | 320 | 782 | 765 | 98% |
| Metropolitan Museum | 1,151 | 206 | 4 | 210 | 52 | 25% |
| Mott Haven | 167 | 74 | - | 74 | 49 | 66% |
| Mott Haven East | 234 | 164 | - | 164 | 125 | 76% |
| Mount Morris Park | 1,390 | 752 | 41 | 793 | 263 | 33% |
| Murray Hill | 454 | 276 | - | 276 | 38 | 14% |

| Historic District | Total Residential Units | Total Units in Rental Buildings | Total Rental Units In Other Buildings | Total Rental Units | Rent-Regulated Units 2012 | Share of Rental Units Regulated |
|--|-------------------------|---------------------------------|---------------------------------------|--------------------|---------------------------|---------------------------------|
| NoHo | 1,759 | 675 | 20 | 695 | 88 | 13% |
| Noho East | 309 | 113 | 4 | 117 | 37 | 32% |
| NoHo Historic District Extension | 305 | 60 | 10 | 70 | 38 | 54% |
| Park Slope | 7,588 | 2,282 | 94 | 2,376 | 1,069 | 45% |
| Park Slope Historic District Extension | 2,492 | 741 | 53 | 794 | 367 | 46% |
| Prospect Heights | 3,264 | 874 | 68 | 942 | 533 | 57% |
| Prospect Lefferts Gardens | 1,244 | 128 | - | 128 | 62 | 48% |
| Ridgewood North | 553 | 483 | - | 483 | 383 | 79% |
| Ridgewood South | 1,187 | 1,083 | - | 1,083 | 773 | 71% |
| Riverside - West 105th Street | 285 | 240 | - | 240 | 102 | 43% |
| Riverside Drive-West 80th-81 Street | 243 | 179 | 30 | 209 | 60 | 29% |
| Riverside-West End | 5,441 | 2,248 | 553 | 2,801 | 1,502 | 54% |
| Riverside-West End Historic Dist. Ext. I | 4,924 | 2,038 | 944 | 2,982 | 1,727 | 58% |
| SoHo-Cast Iron | 2,349 | 173 | 60 | 233 | 81 | 35% |
| SoHo-Cast Iron Historic District Ext. | 630 | 184 | - | 184 | 38 | 21% |
| South Street Seaport | 371 | 197 | 1 | 198 | 81 | 41% |
| St. Mark's | 208 | 81 | 4 | 85 | 17 | 20% |
| St. Nicholas | 451 | 161 | - | 161 | 69 | 43% |
| Stuyvesant Heights | 1,302 | 229 | - | 229 | 93 | 41% |
| Stuyvesant Square | 307 | 83 | 169 | 252 | 188 | 75% |
| Sunnyside Gardens | 1,689 | 768 | - | 768 | 684 | 89% |
| Tribeca East | 1,053 | 186 | 15 | 201 | 43 | 21% |
| Tribeca South | 378 | 72 | 11 | 83 | 20 | 24% |
| Tribeca West | 1,454 | 158 | 7 | 165 | 34 | 21% |
| Tudor City | 3,157 | 62 | 106 | 168 | 118 | 70% |
| Upper East Side | 10,533 | 2,447 | 83 | 2,530 | 612 | 24% |
| Upper East Side Historic District Ext. | 956 | 160 | 25 | 185 | 94 | 51% |
| Upper West Side/Central Park West | 30,961 | 16,137 | 1,196 | 17,333 | 6,049 | 35% |
| West 71st Street | 187 | 147 | - | 147 | 35 | 24% |
| West End - Collegiate | 1,624 | 1,027 | 45 | 1,072 | 354 | 33% |

NOTES: Due to confidentiality of the data, only districts with more than three rent-regulated buildings are included. Only units in buildings with six or more apartments are included in the rent-regulated and rental unit counts. *Total Rental Units* is the sum of units in rental buildings and *Rent-Regulated Units in Other Buildings*, which represents rent-regulated housing in buildings that are not designated as rental in city data, for example, in buildings that converted to condos or coops or in certain hotels. We assume that all rental housing in these types of buildings is under regulation. The presence of unregulated rental housing in those buildings would mean that there are more rental units in the city and that a smaller share is under rent regulation.

SOURCES: IBO analysis of data from the NYS Division of Homes and Community Renewal and NYC Department of City Planning