

Overview of 467-m Proposed Rules

Affordable Housing from Commercial Conversions

Terms of Benefit

All projects receive 100% exemption up to three years during construction

For projects with a commencement date on or before June 30, 2026

*Both are followed by a five year phase out of exemption

Within Manhattan Prime Development Area: 90% exemption for first 30 years following construction period

Outside Manhattan Prime Development Area: 65% exemption for first 30 years following construction period

For projects with a commencement date on or before June 30, 2028

*Both are followed by a five year phase out of exemption

Within Manhattan Prime Development Area: 90% exemption for first 25 years following construction period

Outside Manhattan Prime Development Area: 65% exemption for first 25 years following construction period

For projects with a commencement date on or before June 30, 2031

*Both are followed by a five year phase out of exemption

Within Manhattan Prime Development Area: 90% exemption for first 20 years following construction period

Outside Manhattan Prime Development Area: 65% exemption for first 20 years following construction period

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Eligibility

Non-residential building converted into at least 6 units

At least half of floor area consists of pre-existing commercial building that was converted

Commencement Date: after December 31, 2022 and on or before June 30, 2031

Completion Date: on or before December 31, 2039

All units must be rental housing

Additional Information

Unit Distribution

- Horizontal Distribution
 - At least 30% market rate units on each floor with affordable units
 - Requirement is waivable when 50% units are affordable or if there is only one unit per story
- Vertical Distribution
 - No minimum number of stories required to contain affordable units
 - Each building segment must contain at least one affordable unit and have same or similar proportion of affordable and market units

Unit Mix: Affordable and market unit size mix must be proportional; alternatively, at least 50% of affordable units must have two or more bedrooms and no more than 25% can have less than one bedroom.

Common Space: Affordable and market units must share the same common entrances and common areas. Affordable units cannot be isolated to a particular floor or area.

Prevailing Wage: Requirements apply unless there are less than 30 units or was carried out with substantial assistance of grants, loans, or subsidies.

Concurrent exemptions or abatements are prohibited.