



NEW YORK STATE SENATOR

Brian Kavanagh

## Governor Hochul Announces 71,000 New Homes in New York City Will Be Built Through Policies Enacted in State's Landmark Housing Deal

BRIAN KAVANAGH | October 17, 2024

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New York City's Department of Housing Preservation and Development Received Letters of Intent From 650 Building Owners Representing Approximately 71,000 New Homes and Including 21,000 Affordable Apartments

Governor Kathy Hochul today celebrated the creation of about 71,000 new apartments in New York City, including 21,000 affordable units, thanks to an extension of the construction completion deadline for the 421-a tax incentive program. This celebration comes after letters

of Intent were filed with the New York City Department of Housing Preservation and Development from owners that represent nearly 650 buildings. The 421-a construction completion deadline extension was part of a joint effort between Governor Hochul and the Adams administration to secure new tools to address the City's housing crisis.

“By extending the 421-a construction completion deadline, we are able to put more than 70,000 new homes back on track and create affordable options to live in New York City,” **Governor Hochul said.** “My administration is committed to combating the affordability crisis in every region of the State, and I want to thank Mayor Adams and his team for their partnership and advocacy as we tackle the housing crisis by ensuring that there are more and more opportunities to live and thrive in New York State.”

Today's announcement ensures the creation of significant additional housing options under the 421-a program by extending the construction completion deadline, which was made possible by Governor Hochul as part of the FY25 Enacted Budget. The FY25 Enacted Budget included numerous bold initiatives to address New York's housing crisis by increasing the housing supply, promoting affordability, strengthening protections for New York renters and homeowners and combating bias, and discrimination in housing. A key element of the Governor's housing agenda was extending the construction completion deadline for projects in the now expired, 421-a program from June 15, 2026, to June 15, 2031, for eligible projects that commenced construction after Dec. 31, 2015, and on or prior to June 15, 2022.

The extension enables these housing projects that were at risk of missing the construction completion deadline due to factors such as market volatility in the wake of the pandemic to move forward without interruption, saving approximately 21,000 affordable units. By facilitating a longer timeline, the 421-a construction completion deadline extension allows for the thoughtful, sustainable development of housing that meets New Yorkers' diverse needs.

**New York City Mayor Eric Adams said,** “At the beginning of this year, Governor Hochul and myself stood together and promised New Yorkers real solutions to deliver on affordable

housing. Today, I'm proud to say: promises made, promises kept. The 421-a tax incentive extension, which our administration successfully advocated for last session, has proven to be a success. We have received Letters of Intent from approximately 650 buildings, representing 71,000 new homes, including 21,000 affordable units. Our administration and the State came together to meet this generational crisis head-on, and now, the City Council has their moment in front of them. The City Council has an opportunity to join New Yorkers in saying 'yes' to our 'City of Yes for Housing Opportunity' proposal — the most pro-housing change in the history of the city's zoning code. To deliver the affordable housing New Yorkers need and deserve, every level of government has a role to play, and we look forward to working with our partners in the City Council to build our way out of this housing crisis.”

**New York City First Deputy Mayor Maria Torres-Springer said,** “This administration is making profound inroads on our housing crisis, wasting no time to use the tools we won in Albany to create affordable housing. Between these numbers, our record housing production in Fiscal Year 2024 and our relentless work to pass ‘City of Yes for Housing Opportunity,’ we're rising to the moment to meet New Yorkers' need for affordable housing.”

Beyond safeguarding more than 70,000 new units at risk of missing the 421-a completion deadline, the Enacted Budget's historic measures also created a new affordable housing tax incentive to replace 421-a (“Affordable Neighborhoods for New Yorkers”, also known as 485-x). The package also encourages office conversions to create more affordable units along with lifting the arbitrary “floor area ratio” cap that held back affordable housing production in the City, and authorizing the City to undertake a pilot program to legalize and make safe basement and cellar apartments.

**New York State Homes and Community Renewal Commissioner RuthAnne Visnauskas said,** “Extending the 421a program beyond its expiration date so that stalled housing developments can move forward was one of the smartest and most impactful elements of the groundbreaking FY 2025 Budget championed by Governor Hochul. Today we are seeing

the results as we open the door to 71,000 homes and create opportunities for people at all income levels. This initiative along with measures included in the Budget that increase supply, promote affordability, strengthen protections for renters and homeowners and combat housing discrimination, will transform lives and bring us closer to solving the housing crisis in New York.”

**New York City Department of Housing Preservation and Development Commissioner Adolfo Carrion Jr. said,** “The overwhelming response to the 421-a extension speaks volumes about our deep commitment to creating affordable housing. New housing is not just about brick and mortar — it’s about transforming lives and strengthening our communities. Every project and every single apartment we produce through HPD makes a tangible difference for New Yorkers, providing them with the stability and security they deserve. The extension of the 421-a program is a powerful tool that not only supports our developers but also fuels our mission to create affordable housing options that countless families rely on for a better future.”

**State Senator Brian Kavanagh said,** “The extension of the construction completion deadline for the 421-a tax incentive removed a defect in the program, the effect of which had been exacerbated by the COVID-19 pandemic and a difficult environment for securing financing and undertaking construction, leaving many residential projects in limbo. It is good to see that the changes we made — as part of a comprehensive legislative package to protect tenants and homeowners and create more housing — have had the intended effect of getting many projects restarted, and will ultimately result in significant numbers of new apartments, including many affordable ones. I thank Governor Kathy Hochul, Leader Andrea Stewart-Cousins, Speaker Carl Heastie, our colleagues in the Legislature and in City government, and the many housing advocates and participants in the housing construction industry who negotiated in good faith toward the broad range of positive steps we’ve taken this year to address the housing crisis.”

**Assemblymember Linda B. Rosenthal said,** “Building housing is essential in addressing the State’s chronic affordability crisis. With tens of thousands of New Yorkers trying to claw their way out of shelter and thousands of others struggling to make ends meet, it is incredibly important that we do everything possible to develop all types of housing, especially units that are affordable to everyday New Yorkers. Today’s announcement signals that the State is on its way in delivering quality homes for generations of New Yorkers, and I look forward to our continued partnership in addressing the housing shortage and eviction crisis plaguing communities. ”

**Assemblymember Rebecca A. Seawright said,** “We commend Governor Hochul for extending the 421-A construction completion deadline in the Budget. Thanks to this tax incentive, we secured the creation of 71,000 new apartments in the City, including 21,000 affordable units. New Yorkers can celebrate this thoughtful, sustainable development that will empower tenants.”

**Assemblymember Emily Gallagher said,** “We’re so excited to see 21,000 new affordable units coming to New York City. Seniors and working people are in desperate need of additional affordable housing, and this is such a valuable start.”

**Assemblymember Brian A. Cunningham said,** “As a representative of Flatbush and Crown Heights, I have watched middle-class families squeezed out by \$3,000 single-bedroom apartments. Today, we accelerated the addition of 21,000 affordable housing units to our market, preventing further displacement of our neighbors. This tax break is part of a broad effort to leverage every resource available to government officials to expand New York City's housing stock while protecting tenants and uprooting discriminatory housing practices.”

**Assemblymember Alex Bores said,** “New York City needs more housing, as evidenced by Manhattan's sky-high median rent of \$4,400 and the lowest vacancy rate in decades. As part of the Budget, we passed historic measures to create hundreds of thousands of new homes.

Extending the 421-a construction completion deadline promotes housing construction, encourages affordability and ensures better wage standards for building service and construction workers. I am proud to stand with Gov. Hochul to celebrate the safeguarding of more than 70,000 new housing units that would have otherwise been at risk of missing the completion deadline, and I look forward to working together on additional measures to remedy New York's housing crisis.”

**Councilmember Lincoln Restler said,** “We are facing a dire affordability crisis in New York City. I appreciate Governor Hochul’s leadership and perseverance to help expand our housing supply and build new affordable housing for working families.”

**New York Building Congress President and CEO Carlo Scissura said,** “Now more than ever, New York is in need of innovative and efficient solutions to address our affordable housing crisis, and The Refinery at Domino is a perfect example of what we should be doing. By extending the deadline for certain 421A projects, the State has paved the way for thousands of new units — many of which will be affordable. On behalf of the New York Building Congress and our Board, I am proud to stand with Two Trees and so many forward thinking elected officials that helped secure this project and the others like it.”

**32BJ SEIU President Manny Pastreich said,** “Like so many other working families, our 100,000 members in New York have been facing the same affordability crisis — rising rent, eviction threats, and not being able to find housing within a reasonable commute to their jobs. We applaud Governor Hochul and Mayor Adams for their smart policy and strong leadership. By extending the 421-a construction deadlines, tens of thousands of working New Yorkers will have apartments they can afford and building service workers will be ensured family-sustaining jobs. We also applaud the creation of the new affordable housing tax incentive 485-X, which will create much needed housing along with family-sustaining jobs.”

**REBNY President Jim Whelan said,** “As expected, the 421a deadline extension has proven to be a commonsense policy action necessary to ensure the delivery of new, desperately needed

rental housing. We are grateful to see the progress of hundreds of projects and thank the Governor, Mayor and State Legislature for advancing a solution that helps address New York City's housing supply crisis.”

**The Community Preservation Corporation CEO Rafael E. Cestero said,** “I applaud the Governor for taking this important step forward in kickstarting rental housing production. At a time when our housing crisis is deepening, this extension will immediately put tens of thousands of housing units in play and demonstrates how valuable a tax incentive program is to spurring production. Before it was allowed to expire, 421-a was critical to the creation of low- and moderate-income rental housing in working-class communities and helped create opportunities for mixed-income housing in more expensive markets. The zoning changes in ‘City of Yes’, combined with implementing the new 485-x tax incentive would give us hope that the City could address this severe supply and demand imbalance that makes housing so expensive for too many.”

### **Governor Hochul’s Housing Agenda**

Governor Hochul is committed to addressing New York’s housing crisis and making the State more affordable and more livable for all New Yorkers. As part of the FY25 Enacted Budget, the Governor secured a landmark agreement to increase New York’s housing supply through new tax incentives for Upstate communities, new incentives and relief from certain state-imposed restrictions to create more housing in New York City, a \$500 million capital fund to build up to 15,000 new homes on state-owned property, an additional \$600 million in funding to support a variety of housing developments statewide and new protections for renters and homeowners.

As part of the FY23 Enacted Budget, the Governor announced a five-year, \$25 billion Housing Plan to create or preserve 100,000 affordable homes statewide, including 10,000 with supportive services for vulnerable populations, plus the electrification of 50,000 homes. More than 45,000 homes have been created or preserved to date.

Last August, Governor Hochul also announced the [Pro-Housing Communities Program](#). Pro-Housing Community certification is a requirement for localities to access up to \$650 million in State discretionary funding. To date, more than 200 communities have been certified, including New York City.