

2020 421-a(1-15) Report Technical Notes

Summary

The report covers the 2020 rent registrations of buildings receiving 421-a(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 2020. HPD received these data in May of 2021.

Section 8a of the HCR annual apartment registration form contains two checkboxes 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 three values: “income restricted,” “market rate,” or is left blank.

Property Exemption Detail data are published on NYC Open Data 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 the tentative roll for 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; however, units in 1-3 family homes and units on properties that received a benefit through 421-a(16) 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 registered buildings and one of registered units. The building list contains the following fields: a unique numeric identifier for each building, borough, address, and count of units (see below). 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 but are instead replaced by an asterisk. Both lists are sorted by their respective unique identifiers, meaning that consecutive records are not necessarily in the same building.

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

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. First, up to six addresses for each registered unit were geocoded, which returned as many as six BBLs that could be used to

2020 421-a(1-15) Report Technical Notes

match each unit. Registration data include up to three addresses. Some addresses may have included a ranged Primary House Number (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 (native BBL + six geocoded BBLs) for each HCR address that could be matched to records in the DOF Property Exemption Detail database that received a 421-a exemption. To be conservative, registered buildings that matched on any of the geocoded BBLs were treated as having received 421-a benefits for the purpose of this report. 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 then 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. Finally, after geocoding was completed, 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).

Condo and cooperative units are not required to register as rent stabilized units; however, in cases where owners or managers opted to register, these units were not removed.

Annual HCR registration data were used to determine the universe of the report, so units that had an initial registration but not an annual registration were 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 even years after the actual registration period ends. The registration data that were used to create the report were pulled in May 2021 and represent a snapshot of the registrations at that time. Units may have been registered after these data were pulled but would not be included in the report.