

485-x Affordable Neighborhoods for New Yorkers Tax Incentive ("ANNY")

Option	Building Size	Percentage of units which are to be marketed as "affordable"	Weighted Average AMI Level	Tax Benefit	Minimum Construction Wage	Filing Fee
A	"Very Large" 150+ units in Wage Zone A, Manhattan South of 96th Street, Queens Neighborhood Tabulation Areas: 0201, Brooklyn Neighborhood Tabulation Areas: 0101, 0102, 0103, 0104	25%	60%	5 year 100% construction benefit; Years 1-40 100% exemption + mini tax	Lesser of \$72.45/hr increasing by 2.5% annually (commencing 7/1/25) or 65% of prevailing wage	\$5,000/unit
	3 year 100% construction benefit; Years 1-40 100% exemption + mini tax			Lesser of \$63.00/hr increasing by 2.5% annually (commencing 7/1/25) or 60% of prevailing wage		
	"Large" 100+ Units		80%	3 year 100% construction benefit + mini tax; Years 1-35 100% exemption + mini tax	\$40.00/hr increasing by 2.5% annually (commencing 7/1/25)	
B	"Modest" 6-99 units	20%	80%	3 year 100% construction benefit + mini tax; Years 1-25 100% exemption + mini tax; Years 26-35 20% exemption + mini tax	N/A	\$4,000/unit
C	"Small" 6-10 units outside of Manhattan on zoning lots permitting less than 12,500 square feet for residential use	50% of the units are rent stabilized	N/A	3 year 100% construction benefit + mini tax, 10 year 100% post construction benefit + mini tax	N/A	\$3,000/unit
D	Homeownership	100%; Averaged Assessed Value/SF must be less than or equal to \$89 outside of Manhattan	N/A	3 year 100% construction benefit + mini tax; Years 1-14 100% Years 15-20 25% post-completion benefit + mini tax	150+ Units in Zone A: Lesser of \$72.45/hr increasing by 2.5% annually (commencing 7/1/25) or 65% of prevailing wage 150+ Units in Zone B: Lesser of \$63/hr increasing by 2.5% annually (commencing 7/1/25) or 60% of prevailing wage 100+ Units outside of Wage Zone: \$40/hr increasing by 2.5% annually (commencing 7/1/25)	\$4,000/unit

SUMMARY

The NYC 485-x program, officially called Affordable Neighborhoods for New Yorkers, is a property tax incentive designed to encourage new residential construction for ground up development of affordable housing. It provides a long term real estate tax exemption to developers who meet affordability, wage, and compliance requirements, replacing the former 421-a program.

1 COMMENCEMENT AND COMPLETION OF CONSTRUCTION DEADLINES

- Commence construction on or after June 16, 2022.
- Complete construction on or before June 15, 2038.

2 ELIGIBILITY

- The building must be a ground-up new construction or a qualifying conversion.
- The building must be designated Class A residential.
- The new building must contain at least six (6) dwelling units.

3 AFFORDABLE HOUSING REQUIREMENTS

- Affordable housing units must be leased by a certified marketing agent in accordance with the applicable area median income requirements for the project.
- If a floor contains one or more affordable housing units, then each floor must contain a minimum of 30% market rate units.
- Either: A) the affordable housing unit mix must be proportionate to the market rate housing unit mix or B) no more than 25% of the affordable housing units may be studios and no less than 50% of the affordable housing units must be 2BR units or larger.
- If there were residential units on the property three years prior to the commencement of the construction date, an affordable unit must be provided to effectively replace each demolished unit.
- All rental dwelling units shall share the same common entrances and common areas and shall not be isolated to a specific floor or area of an eligible dwelling.
- Affordable housing units must remain affordable in perpetuity.

4 MINORITY WOMEN BUSINESS ENTREPRENEUR (M/WBE) REQUIREMENTS

- Over the course of the design and construction phase of the project, the applicant must make reasonable efforts to spend at least 25% of the total applicable costs on contracts with M/WBE owned businesses.

5 CONSTRUCTION LABOR WAGE REQUIREMENTS

- Projects with less than 99 units do not have a minimum construction labor wage requirement.
- Projects with greater than 99 units are subject to construction wage requirements with the minimum wage determined by the number of dwelling units and the location.
- Please see page 1 for Construction Labor Wage Requirement details.