

In The News

Jaclyn Scarinci Speaks with *Gothamist* on New York's 485-x Tax Break Program

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Akerman Real Estate Practice Group Partner Jaclyn Scarinci spoke with *Gothamist* on how New York's 485-x tax exemption program affects affordable housing citywide, in the article "How a Tax Break Program Killed 538 Affordable Apartments in NYC."

New York's 485-x program, enacted in 2024 to replace the expired 421-a tax exemption, offers property tax exemptions to developers in exchange for permanent affordable housing. Buildings of 99 units or fewer are not required to pay construction wages. Reviewing city permit data, *Gothamist* found that developers are increasingly structuring large residential projects as clusters of adjacent buildings capped at 99 units each to remain under that threshold, a pattern the outlet's analysis found has resulted in 538 fewer affordable apartments citywide than would have been required under a single-building approach.

Jaclyn noted that dividing a project into separate 99-unit buildings affects the total number of units built. "You are losing affordable housing units in each of these separate buildings," she said. "When you're separating out buildings into 99-unit buildings, you are not maximizing the total number of dwelling units that you could do if you built it in one."

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