

Mayor Eric Adams released a housing blueprint in June 2022 that outlined his administration’s approach to affordable housing. However, the plan did not offer specific details on income targeting – i.e. which household income levels the plan will serve – nor did it set production targets to quantify how much affordable housing will be produced in accordance with the budget. While the United for Housing coalition supports the City moving away from a production target as the sole focus of a housing plan, a plan without any income targeting or production goals makes it impossible to hold the administration accountable. In addition, without establishing minimum production targets for deeply affordable housing, the City fails to focus public subsidies toward meeting its greatest housing needs.

As highlighted by the New York Housing Conference, federal Area Median Income for the New York City metro, which is the basis of affordability levels for city-subsidized housing, increased dramatically over the past year while data shows that actual incomes in the city have not increased and the housing crisis is most acute for the lowest income New Yorkers.

Until the City updates housing finance term sheets, affordability levels will follow the programs established under former Mayor de Blasio’s housing plan, which did not target enough deeply affordable housing. Rising construction costs and growing inflation will put added pressure on the City budget, but affordability must be a major priority. The City must change the term sheets to take into account the rapidly rising AMI levels that no longer reflect actual incomes in the city and change the programs to target deeper affordability.

Traditionally, the City uses the federal AMI levels when setting affordability in subsidized housing projects. But this is a choice. The City can choose instead to set its own affordability levels independent of federal AMI levels, targeting incomes of its choosing, as long as the affordability is at least below the federal standard.

United for Housing, a coalition of more than 90 organizations, released a report in 2021 with recommendations to address the housing crisis and called on the administration to focus on deeply affordable housing, recommending the new administration produce at least 8,000 units of affordable housing per year for extremely low-income housing.

The following recommendations stem from the report, considering the recent increase in AMI, to advocate for deeply affordable housing.

Recommendations

- **Target the plan where the need is greatest – with most rental housing for households earning under \$50,000, which is the actual median income for New York City renters.** The greatest affordable housing need is at the lowest incomes and the plan should focus most of its resources to provide housing for the lowest-income New Yorkers. In a mixed-income model, the plan should move towards serving more households earning under \$50,000 and rents under \$1,250.
- **Adopt minimum deep affordability production targets – 8,000 deeply affordable units per year, as laid out in the United for Housing report.** Advocates are united that the City’s housing plan should not solely focus on counting the number of units produced but also focus on other important metrics to address the housing crisis. Data has repeatedly shown that the housing crisis affects the lowest-income

New Yorkers the most. In New York City 68,350 households experience homelessness at any one time. Also, nearly 1 million households in the city are rent burdened, but most of those – 73 percent – have low incomes, making less than \$50,000 per year.

The City therefore should set ambitious minimum production targets of 8,000 units per year of deeply affordable housing to truly address the housing crisis. This will require a range of programs:

- The City should maximize project-based Section 8 vouchers and commit to multiyear plans to support the affordable housing pipeline to provide more deeply affordable housing.
 - The City should expand on efforts to use HRA Master Lease Contracts to build affordable housing for people that have experienced homelessness. The master lease contract project-bases CityFHEPS rental assistance to pay debt service, operating and on-site service costs for 30 years.
 - Finally, the City should incorporate and expand tenant-based rental assistance in affordable housing buildings to help achieve deeply affordable housing for tenants who can afford rents that are less than what it costs to operate a unit of housing.
- **Finance projects quickly to maintain affordability commitments.** In recent years, affordable housing projects that received support from the community based on rent and income levels saw those rent and income levels increase dramatically over several years as the project moved through the HPD pipeline and received financing. This undermines faith in affordable housing in these communities. Therefore, the city should commit funds and close on financing quickly so the project can maintain the original rent levels promised at the beginning of the project.
 - **Expand affordable homeownership to lower income households.** Currently, the city's homeownership programs support incomes between 80% and 120% of AMI. However, providers have demonstrated that affordable homeownership works for lower income households where there is significant need and interest in homeownership. Targeting homeownership at lower incomes can also help reverse decades of housing discrimination that have led to a racial homeownership and wealth gap. City homeownership programs should include households earning as low as \$60,000 for a family of three.