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## **Inclusionary Housing Programs Are Often Paired With Direct City Subsidies to Generate More Affordable Housing**

**November 20, 2024**, – Every mayor in recent memory has created a plan to tackle the issue of housing affordability in New York City. The Independent Budget Office’s report compares stated plans for the new construction of affordable housing under Mayor Adams with approaches taken by the last two mayoral administrations, Bloomberg and de Blasio. Two categories of City programs are frequently proposed, revised, or expanded as part of these mayors’ housing plans: direct City subsidies and inclusionary housing programs.

IBO analyzes 14 years of Department of Housing Preservation and Development (HPD) data to examine affordable unit production, City spending on subsidies, and affordability levels of housing produced by these City programs. This historical lookback has implications for understanding the Adams administration’s City of Yes for Housing Opportunity, which is expected to soon be brought to a City Council vote.

IBO’s report, *Inclusionary Housing and City Subsidies: A Review of Strategies for Creating New Affordable Housing from Bloomberg to Adams* can be accessed [here](#), and key takeaways can be found below:

- The Adams administration’s signature housing initiative, City of Yes for Housing Opportunity, proposes “universal affordability preference” (UAP), which shares similarities with existing inclusionary housing programs. UAP would likely need more funding for City subsidies than prior years in order to be implemented widely and effectively.
- The role of inclusionary housing programs has expanded in creating new units in recent years. Since the introduction of Mandatory Inclusionary Housing in 2017, over half of new affordable units from City housing programs have received inclusionary housing benefits.
- Though they are two separate tools, HPD views inclusionary housing programs and City subsidy programs as working together to meet the City’s affordable housing goals. In 2022, 79% of City housing subsidies went to developments that also participated in inclusionary housing.
- Inclusionary housing has produced few deeply affordable units without direct City subsidies. 28% of units using inclusionary housing alone were deeply affordable, compared to 53% of units using both City subsidies and inclusionary housing benefits.

- The financing of new construction affordable units increased under the de Blasio administration and remain high under the Adams administration, while City spending on affordable housing has fallen slightly since a peak in 2018.

Past coupling of inclusionary housing with city subsidies to incentivize affordable housing development suggests that, if UAP becomes part of the City of Yes for Housing Opportunity plan, future City capital funding will likely be tied to UAP projects.