

## Study Overview

This study critically examines the effectiveness of New York City's affordable housing initiatives, focusing on how these programs interact with rent control and rent stabilization policies. It highlights the gap between the intended outcomes—affordability and housing equity—and the actual results. Despite significant investments and policy efforts, many affordable housing initiatives fail to meet the needs of the city's most vulnerable residents.

## Key Findings

### 1. Illusory Affordability:

- Affordable housing programs often target households earning 80–120% of the Area Median Income (AMI), leaving out low-income families earning below 50% AMI who are most in need of assistance.
- Rent control and stabilization policies inadvertently create disparities, as wealthier tenants in controlled units benefit disproportionately compared to lower-income renters.

### 2. Supply Constraints:

- Rent stabilization disincentivizes new construction and the maintenance of existing units, reducing the overall housing supply and worsening affordability challenges.
- Developers face regulatory barriers and lack incentives to build truly affordable housing.

### 3. Market Inefficiencies:

- Rent stabilization policies lead to underutilization of housing stock. For instance, tenants in stabilized units often remain in apartments larger or smaller than their needs, further distorting the rental market.
- Landlords reduce investment in property upkeep, causing long-term declines in housing quality.

### 4. Unintended Consequences:

- The study identifies how rent stabilization programs shift demand toward uncontrolled units, inflating rents in the private rental market.
- These policies contribute to racial and economic segregation, as tenants in stabilized units are more likely to live in gentrified neighborhoods, leaving lower-income families concentrated in less desirable areas.

## Implications for Legislators

### 1. Harm to Low-Income Families:

- Rent control and stabilization fail to adequately address the housing needs of the city's lowest-income residents, exacerbating inequalities in housing access.



### 2. Decline in Housing Quality:

- Stabilization policies encourage deferred maintenance and disrepair in rent-controlled properties, negatively impacting tenant living conditions.

### 3. Barriers to New Construction:

- Strict regulations discourage developers from building new units, particularly those affordable to low- and moderate-income households.

## Policy Recommendations

- Shift focus from rent stabilization to expanding housing supply through zoning reforms and financial incentives for developers.
- Reallocate subsidies to directly target low-income families rather than using AMI as a baseline.
- Consider mixed-income development incentives to promote socioeconomic diversity in neighborhoods.

## Relevance

This study underscores the negative effects of rent control and stabilization policies, emphasizing their role in perpetuating housing crises rather than resolving them. For policymakers seeking sustainable housing solutions, a shift toward supply-side strategies and targeted subsidies is essential.

## CONTACT INFO: