Mixed-Income Housing in New York City:
Achievements, Challenges and Lessons of an Enduring Mayoral Commitment

Alex Schwartz, The New School
Sasha Tsenkova, University of Calgary

New York City has long been a laboratory for mixed-income housing. For decades, in collaboration with nonprofit and for-profit organizations, New York has built thousands of housing units in mixed-income developments under many different programs and formats. New York is also distinctive among other cities in the United States in that its mixed-income housing is not contingent on the redevelopment of public housing or on inclusionary zoning. Whereas much if not most mixed-income housing built elsewhere in the country since the 1990s is connected to the demolition and redevelopment of public housing, often leading to a net loss of public housing, this is not the case for New York City. New York has had some form of inclusionary zoning since the 1980s, but it is a minor source of the city’s mixed-income housing.

In this essay, we describe the breadth of mixed-income housing in New York City. We situate mixed-income housing within the history of New York’s affordable housing programs, and emphasize the variety of forms it takes and the neighborhood contexts in which it occurs. We show how New York’s mixed-income housing ranges from luxury housing that include some units designated for lower-income households, to developments with a larger proportion of low- and moderate income-units and a much smaller share of market-rate units. We argue that New York City’s case, including its experimentation with many forms of mixed-income housing, shows that:

- Mixed-income housing can be much more diverse in terms of its income composition, funding sources, and programmatic design than one might presume from a reading of the literature.
- Mixed-income housing is an ordinary, even mundane, part of the city’s landscape; notwithstanding occasional controversies sparked by particular buildings or programs, it is commonplace for people with widely varied incomes and other characteristics to reside in the same building or on the same block. In fact, the mixed-
income quality of mixed-income housing may not be what defines or distinguishes the housing in the eyes of residents.

- Mixed-income housing nearly always requires government subsidy; the notion that income from market-rate units will fully subsidize the “affordable” units is rarely viable.
- The city’s chronic shortage of affordable housing and broad-based support for public investment in many forms of affordable housing may allow for more creative, ambitious, and durable approaches to mixed-income housing than anywhere else in the U.S.

We conclude with a brief discussion of lessons and unresolved questions about New York’s experience with mixed-income housing and implications for policy and practice in the mixed-income field.

The Relationship between Public Housing and Mixed-Income Housing in New York City

In the rest of the United States, mixed-income housing is strongly associated with the redevelopment of public housing. Under HOPE VI and other programs, public housing authorities demolished more than 150,000 public housing developments, replacing many with mixed-income housing that includes a smaller number of public housing units and varying blends of other subsidized and market-rate housing, sometimes including owner-occupied housing. New York has not demolished any of its public housing developments, however; its two HOPE VI projects upgraded the physical plants and remained 100 percent public housing.

New York’s public housing encompasses aspects of mixed-income housing that are found in few other cities. First, many of New York’s public housing developments have been home to households with a wider range of incomes than elsewhere. As with public housing in the rest of the country, New York’s public housing accommodates many people with extremely low incomes. But unlike other places, New York’s public housing has also attracted many people, including teachers and civil servants, with higher incomes. This attraction reflects the relatively high quality of many public housing developments at the time of their construction, their affordability, and in many cases their proximity to transit and other urban resources. It also reflects the fact that public housing in New York City is widely dispersed, with developments

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located in 46 of the city’s 59 community districts. While fewer moderate- and middle-income residents currently live in New York’s public housing than in years past, they are still more prevalent in New York than in the public housing of other cities. For example, in 2018, wages were the most important source of income for 40 percent of New York’s public housing residents, compared to an average of 29 percent in the 10 next-largest housing authorities in the continental U.S., and 40 percent of New York’s public housing households earned at least $20,000 annually, compared to 23 percent in that comparison group.5

The second aspect of mixed-income public housing in New York City stems from the fact that many developments are situated in middle-class and affluent neighborhoods. While many public housing developments are located in relatively isolated low-income neighborhoods, others are found in the midst of some of New York’s wealthiest areas.6 It isn’t hard to find public housing located next door or across the street from condominium towers with apartments costing several million dollars each. For example, Amsterdam Houses is located across Amsterdam Avenue from Lincoln Center for the Performing Arts and the 54-story Hawthorne Parke luxury rental building, where the average rent for apartments leased from January 2018 to June 2019 was $7,218.7 The Chelsea Elliot Houses and Fulton Homes are located in close proximity to the Highline, the elevated park that has stimulated the construction of numerous luxury condos. Among them is 520 West 28th Street, designed by internationally renowned architect Zaha Hadid, where the sales price of apartments sold from January 2018 to March 2019 averaged $10.3 million.8 New York University’s Furman Center found that nearly 60 percent of New York’s public housing units, as of 2017, were located in gentrifying neighborhoods and an additional 27 percent in higher-income neighborhoods.9 The close proximity of public housing with various tiers of market-rate housing illustrate what Vale and Shamsuddin have called the “mixing-around” form of mixed-income housing10.

In an effort to generate much-needed revenue to help finance essential renovations and other capital improvements, New York City has started to lease vacant land on selected public housing campuses for the development of high-rise housing developments—some 100 percent market-rate and others that combine luxury housing with units priced for lower-income households.11 These efforts have been controversial, both because of the loss of open space,

7 The real estate service StreetEasy listed 57 apartments that were leased in this building from Jan. 25, 2018 to June 6, 2019. The lowest rent was $3,295 for a studio apartment and the highest was $16,900 for a 3-bedroom unit.
8 Sales data from StreetEasy, which listed 28 open-market transactions during this period.
9 NYU Furman Center, “How NYCHA Preserves Diversity”
10 Vale and Shamsuddin, “All Mixed Up”
light, and views and because of fears that the development of market-rate housing will ultimately lead to the displacement of public housing residents.\textsuperscript{12} That said, the fact that private developers will build luxury market-rate housing cheek by jowl with public housing, underscores that public housing need not be demolished or downsized in order to make mixed-income communities possible.

\textit{Mixed-Income Housing Produced Under Mayoral Housing Plans}

Most of New York City’s mixed-income housing originated from the various affordable housing programs launched by the city since the late 1980s. Starting with Mayor Koch’s 10-year housing plan of 1987, New York City has invested, after inflation, more than $18.9 billion on the construction and preservation\textsuperscript{13} of more than 450,000 units of affordable housing. Every subsequent Mayor, Democrat and Republican, has allocated hundreds of millions of dollars each year for this purpose (see Figure 1). The current Mayor, Bill de Blasio, set a goal of building 120,000 units and preserving 180,000 from 2014 to 2026; as of April 2019, the city had completed or started work on nearly 124,000 units.\textsuperscript{14} De Blasio’s initiative builds on Mayor Michael Bloomberg’s 12-year New Housing Marketplace plan, which produced 165,000 affordable units\textsuperscript{15}.


\textsuperscript{13} Preservation refers to physical renovation and other capital improvements of existing affordable housing and to commitments to extend or renew existing subsidies so that housing can remain affordable.

\textsuperscript{14} Alex Schwartz, “New York City’s Affordable Housing Plans and the Limits of Local Initiative,” \textit{Cityscape} 21, no. 3 (2019): 355-88.

Fig. 1:
CAPITAL BUDGET EXPENDITURES (IN 000s of 2017 DOLLARS) AND AFFORDABLE HOUSING STARTS, 1987-2018

Source: Mayor’s Management Report and Comptroller’s Budget Report
New York’s housing plans are assemblages of various programs that target different income groups and residents; they involve new construction, physical renovations, and the renewal of existing subsidies. The plans involve a range of partners, including for-profit housing developers, large non-profit organizations, and smaller community-based organizations. The plans are funded through the city’s capital budget (in the form of general obligation bonds), and also from tax-exempt and taxable private activity bonds issued by the city’s Housing Development Corporation, federal Low-Income Housing Tax Credits, and other sources. The plans also make use of property tax abatements and inclusionary zoning, which provide private developers with financial incentives to allocate a portion of otherwise market-rate housing developments to lower-income occupancy. Under Mayor de Blasio, the city expanded its previous voluntary inclusionary zoning program with the establishment of mandatory inclusionary zoning in neighborhoods that complete a rezoning process to permit higher-density housing.

New York’s housing plans have produced several forms of mixed-income housing. These vary from luxury apartment buildings in prime Manhattan neighborhoods that include some units for low- and/or moderate-income households, to developments situated in far less affluent communities that designate a higher percentage of units for such households. Virtually all mixed-income housing built over the past several decades involves some form of public subsidy. With the development of affordable housing often involving the purchase of expensive privately owned land, New York’s housing programs increasingly include units for higher-income households to reduce the amount of public subsidy necessary to support low-income units.16

As discussed below, the mixed-income housing produced under mayoral plans varies widely in terms of the share of housing allocated to various income bands and the degree to which the housing is affordable to very-low-income people. Some mixed-income programs, especially under Mayors Koch and Dinkins, designated most units to very-low income households (earning up to 50 percent of the area median family income), including the formerly homeless, and allocated most of the rest to moderate- and middle-income families. Other programs produced predominantly market-rate housing, with a small share earmarked for low- or moderate-income tenants. Except for formerly homeless individuals and families, who almost always receive federal Housing Choice Vouchers or other rent subsidies, the lowest-income band in New York’s mixed-income programs has ranged between 40 percent and 60 percent of average median income (AMI). Unfortunately, there is no information available on the racial and ethnic composition of the mixed-income housing produced in New York City.

Most of the mixed-income housing developed over the past three decades occasioned minimal if any opposition or controversy. However, this is less true today. Some opposition

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\textbf{Selected Examples of Mixed-Income Housing in New York City}

\textbf{Luxury Housing with a Low- or Moderate-Income Component.} Private developers have built hundreds of market-rate apartment buildings in prime sections of Manhattan and, more recently, Brooklyn that include some amount of units for people with low or moderate income. Whether through below-market-rate financing, property tax exemptions, the opportunity to build at higher densities than otherwise allowed, or a combination thereof, developers have used these incentives to build apartment buildings that are mostly market-rate but reserve up to 25 percent of units for lower-income tenants. (Sometimes these developments receive two or more such incentives.) The affordable units are assigned to eligible households by lottery. The number of people who apply for affordable units in these mixed-income units typically exceed the number of available units available by a ratio of several hundred to one.\footnote{Navarro, “88,000 Applicants and Counting”; Satow, “Better than the Powerball: For New Yorkers Looking for an Affordable Home, the Odds of Winning a Housing Lottery are 1 in 592.”}

The so-called \textbf{80-20 program} used tax-exempt bond financing to underwrite below-market-rate mortgages for housing that reserved 20 percent of units for households with incomes...
up to 60 percent of AMI, while the remaining 80 percent was market-rate. Most buildings
financed under the 80-20 program also received property tax exemptions. The 421a tax
abatement program, created in the 1970s and modified several times to include buildings located
in particular areas of New York City, required developers to designate a portion of units for
low- or moderate-income tenants. An example is a project at 505 West 37th Street, Manhattan.
Completed in 2009, the 835-unit doorman building is located in the Hudson Yards district on the
far-west side of Manhattan. Average market-rate rents in 2019 amount to $3,533, but 168 units
are designated for low-income households earning no more than 60 percent of AMI.

Generally, the affordable units within 80-20 and 421a buildings are intermixed with
market-rate units, although units with the best views and other amenities usually are reserved for
market-rate tenants. An exception is the small number of buildings that partitioned affordable
units within separate sections. This issue became particularly contentious when news came out
that a mixed-income building on the west side of Manhattan had installed separate entrances for
market-rate and affordable units; the latter soon became known as the “poor door.” The
developer structured the building as two condominiums, each with its own entrance; in effect, a
market-rate building situated next to a subsidized building. The physical segregation of income
groups within a development, symbolized by separate entrances and amenities, raised concerns
that this form of mixed-income housing can stigmatize lower-income residents and undermine
the potential for community building across income groups.

In 2015, the city issued regulations requiring all entrances in mixed-income projects that
receive tax exemptions or other subsidies to be open to all residents regardless of income. However, some mixed-income buildings prohibit residents of affordable units from using
amenities (e.g., gyms, storage spaces) available to market-rate residents. The physical separation
of income groups is characteristic of some luxury buildings that include a component of
affordable units; it is much less common in other forms of mixed-income housing.

**Mixed-Income Housing with Larger Proportions of Lower-Income Units**

New York has sponsored many mixed-income developments that feature substantially
larger percentages of low- and moderate-income units, with the top income tier targeted to

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21 Originally Manhattan below 96th street; later extended to parts of other boroughs.
22 Mireya Navarro, “‘Poor Door’ in a New York Tower Opens a Fight Over Affordable Housing,” *New York Times*,
23 Carol Lamberg, “Housing Priorities: Quality is More Important than the Number of Entrances,” in *The Dream
Revisited: Contemporary Debates about Housing, Segregation, and Opportunity*, ed. Ingrid Gould Ellen and Justin
24 Joseph, “Separate but Equal Redux”
households earning much less than the market-rate tenants in 80-20 or 421a buildings. Because these buildings tend to designate more units for lower income households, they often involve larger amounts of subsidy than 80-20 buildings and the like.

**Mayor Koch’s Vacant Cluster program.** One of the earlier mixed-income programs instituted in New York City was the Vacant Cluster program. Created as part of Mayor Koch’s original initial 10-year plan, Vacant Cluster involved the gut rehabilitation of large assemblages of vacant and highly deteriorated housing in the Bronx and Harlem. There were six Vacant Cluster developments, each involving several hundred housing units.26 One of these projects was the New Settlement Apartments, sponsored by the Settlement Housing Fund, one of New York’s largest nonprofit sponsors of low-income housing. Located in the Mount Eden section of the Bronx, the complex currently has 1,082 units. Thirty percent of the units were originally allocated to formerly homeless families, who received Section 8 vouchers to cover the rent; 40 percent to low-income families; 20 percent to moderate-income families; and 10 percent to households paying market-rate rents. Interestingly, the rents paid for the market-rate units were less than the rents paid by Section 8 vouchers. Every floor in the development includes households from all targeted income groups.27

The Vacant Cluster program is one of very few mixed-income initiatives in New York City to be examined from the tenants’ perspective. In focus groups with residents in two Vacant Cluster developments in the Bronx, Schwartz and Tajbakhsh explored resident satisfaction with the developments, awareness of the mixed-income character of the developments, and degree of social interaction within and across income categories. The researchers found that while the residents were fully aware of the mixed-income character of the developments, they did not consider it to be a defining feature. More salient were the affordability of the apartments, the location of the developments, the high physical quality of apartments, the responsiveness of property managers to their concerns, and the availability of on-site social services.28

28 Schwartz and Tajbakhsh, “Mixed-Income Housing.” See also Lamberg 2018 for a detailed account of the challenges in building and managing one of the Vacant Cluster developments. The book also profiles several long-time residents. Lamberg was the Executive Director of the Settlement Housing Fund, the sponsor of the development.
Mayor Bloomberg’s Mixed-Income Programs. These included three types of mixed-income projects: low- to moderate-income (80 percent AMI or below), New HOP (81 percent AMI or above) and 50/30/20 mixed-income (replacing the previous 80-20 program). Developments were located mostly in Manhattan, to capitalize on demand for mid- and higher income housing. Newly-built mixed-income, affordable housing set an example for sustainability, design innovation, and institutional partnerships. The Hunter’s Point South development on the Queens waterfront is the largest new affordable housing complex built in New York City since the 1970s. Envisioned as part of the City’s 2012 Olympic bid, the first phase, co-developed by Related Companies, Phipps Houses, and Monadnock Construction, included 925 permanently affordable apartments and 17,000 square feet of new retail space, key infrastructure installations, a new five-acre waterfront park, and a new 1,100-seat school, while meeting national green building criteria (see Figure 2).

Another mixed-income project to come out of the Bloomberg era is Navy Green, co-developed by Dunn Development, L&M Development Partners, and the Pratt Area Community Council. Consisting of 433 units in four multi-family buildings and 23 townhouses, the development combines supportive housing for formerly homeless families, owner-occupied housing, and rental housing for several income groups. Located across from the former Brooklyn Navy Yards, the complex also includes retail space, a children’s play area, open lawn, patios and gardens.

Via Verde is a sustainable residential development with 222 units of mixed-income housing in the South Bronx co-developed by Phipps Houses and Jonathan Rose Companies (Figure 3). The project received the U.S Department of Housing and Urban Development’s Award for Excellence in Affordable Housing Design in 2013. The ground floor features 11,000 square feet of retail, a community health center, and live-work units. With a 66-kilowatt, building-integrated photovoltaic system, onsite cogeneration, green roof, community vegetable...
gardens, green interior finishes, rainwater harvesting, and drought-tolerant vegetation, the complex is LEED NC Gold certified.  

**Fig. 3:**
VIA VERDE SUSTAINABLE MIXED-INCOME HOUSING IN NEW YORK CITY

Credit: New York City Housing Development Corporation

**Mayor de Blasio’s Mixed-Income Housing Programs.** Mixed-income programs rolled out by the de Blasio administration vary widely in terms of the top and bottom income levels that are targeted, the number of income tiers represented, and the distribution of units across income tiers. Two programs allow some units to be rented to market-rate tenants of any income, but three programs cap the maximum income at a specified percentage of the area median family income (from 100 to 165 percent). The lowest-income households eligible for the programs vary from formerly homeless people with incomes well below the poverty level to those earning 60 percent of AMI. The percentage of units allocated to the top income tier varies from 30 percent to 75 percent.

For example, the [Extremely Low- and Low-Income Affordability](#) (ELLA) program’s income tiers include formerly homeless and other extremely low-income households. In one option, units must be allocated as follows: 10 percent to formerly homeless households, 10 percent to households earning up to 30 percent of AMI, 10 percent to households earning up to 40 percent of AMI, 10 percent to households earning up to 50 percent of AMI, and 30 percent to households earning up to 60 percent of AMI. Developers have the option of designating some or

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all of the remaining 30 percent of the units to households earning 70 to 100 percent of AMI; otherwise they must be slated for households earning up to 60 percent.30 In the second option, 30 percent of the units are allocated to formerly homeless households, 5 percent to households earning up to 40 percent of AMI, and 5 percent to households earning up to 50 percent of AMI. As with the first option, the remaining 60 percent must go to households earning up to 60 percent of AMI, although developers may allocate up to 30 percent of the units to households earning 70 to 100 percent of AMI. The city provides $130,000 to $150,000 in subsidy per unit, depending on the overall income mix in the development. City subsidies, federal Low-income Housing Tax credits, and property tax exemptions, combined with the cash flow from the higher-income units, makes it financially viable to charge lower-income households affordable rents.

One of the first ELLA projects to be developed, by Dunn Development and L&M Development Partners, is Livonia Commons. Located in the East New York section of Brooklyn, the development includes 278 apartments in four buildings. Fifty-one units consist of supportive housing for formerly homeless families who receive services on-site from two nonprofit organizations. More than half of the units are designated for families earning below 50 percent or 40 percent of AMI. The development also includes an arts center, a legal services office, a supermarket, a pharmacy, and other retail space. (see Figure 4).

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30 Sasha Tsenkova and Alex Schwartz, “Partnerships for Affordable Rental Housing in New York City,” in Housing Partnerships, ed. Sasha Tsenkova (Calgary, AB: University of Calgary), 37-46.
In the **Mix and Match** program, eligible developments must have a minimum of four income tiers. Forty to 60 percent of the units must be affordable to households earning up to 60 percent of AMI, including at least 10 percent of units serving formerly homeless households. A minimum of 10 percent of units must be affordable to households earning 30 percent to 50 percent of AMI, and the remaining 40 percent to 60 percent of the units must be affordable to households earning up to 130 percent of AMI. Units receive $10,000 to $225,000 from the city’s capital fund, depending on the income designation. Developments may also receive federal Low-Income Housing Tax Credits and property tax exemptions.

**New York’s Mandatory Inclusionary Housing Program.** This mixed-income housing program allocates the majority of units to households able to pay market-rate rents. However, it also includes households with incomes that are lower than those permitted in nearly all other inclusionary zoning programs in the United States. Moreover, the program allocates a larger proportion of units to low- and moderate-income households, and it requires affordable units to remain so permanently (i.e., affordability is not time-limited). The program takes effect whenever a neighborhood (or land parcel) is rezoned for higher densities. As of January 2019, five neighborhoods, starting with East New York, had been rezoned at higher densities, thereby effectuating mandatory inclusionary housing. Rezoning proposals were in process or anticipated for six additional neighborhoods. All but one of the neighborhoods with rezoning completed or in process are located outside Manhattan, and most are predominantly low-income.

There are two basic options in the mandatory inclusionary housing program. Under one, developers can designate 75 percent of total floor area for market-rate units, and the remaining 25 percent must go to households with an average income of 60 percent of AMI, including 10 percent that are allocated to households earning up to 30 percent of AMI. In the second option, 60 percent of the floor area is reserved for market-rate units, and the remaining 40 percent goes to households with an average income of 80 percent of AMI. If developers choose to build the affordable units off-site at a separate location, they must allocate an additional 5 percent of total floor area to households with an average income (depending on the option) of 60 percent or 80 percent of AMI. Mixed-income housing properties are underwritten so they do not require direct city subsidy (although they may be eligible for federal Low-Income Housing Tax Credits and city property tax exemptions; however, buildings financed under other subsidy programs may be, and are, located in rezoned neighborhoods.

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Mandatory inclusionary housing is the most controversial of the de Blasio administration’s affordable housing programs. Although it accounts for less than 4 percent of the 39,949 units of new construction started under the plan from 2014 through the first quarter of 2019, the program has attracted far more attention and criticism than all other aspects of the de Blasio plan. One criticism is that even the lowest-rent apartments are unaffordable to most low-income residents. This is because the rents are set in relation to the New York metro area’s median family income, which is much higher than the median income in the neighborhoods that have been upzoned. A second criticism is that while the new buildings in the rezoned neighborhoods will provide some affordable units (notwithstanding the first criticism), the construction of taller, mostly market-rate buildings will exacerbate affordability problems by driving up land prices and rents throughout the neighborhood. The fact that the residents of most of the neighborhoods slated for rezoning tend to have low incomes and to be predominantly non-white has no doubt contributed to the plan’s hostile reception. Some observers have suggested that the plan might have received more support if the city had also included more affluent and more white neighborhoods among those to be rezoned. In any case, there is little evidence to show that the affordability pressures in the rezoned neighborhoods are any greater than in other neighborhoods of the city. On the other hand, rental pressures are acute in many neighborhoods, including many that have not been rezoned.

Conclusions

The New York City experience leads us to the following conclusions.

Mixed-income housing can be a financially and socially viable form of housing that leverages the private sector to finance a limited amount of affordable housing. The city’s experience with public housing, and most especially with the many housing programs that have been instituted under mayoral housing plans since 1986, illustrates the many ways in which mixed-income housing can be configured. It includes luxury housing located in prime Manhattan and Brooklyn neighborhoods in which about 20 percent of the units are designated for relatively low- and/or moderate-income households. It also includes developments located in lower-income neighborhoods with a larger percentage of low-income units, and in which the rents charged to

35 Schwartz, “New York City’s Affordable Housing”
37 Savitch-Law, “Will Rezoning Cause or Resist Displacement?”
tenants at the top of the income tier tend to be considerably less than the market-rate rents of other mixed-income developments.

Mixed-income housing also has limitations as a vehicle for producing and financing affordable housing, however. The inclusion of market-rate units can generate a “cross-subsidy” to supplement the lower-rents paid by lower-income residents. But only in limited circumstances is this cross-subsidy sufficient by itself make the development financially viable. It may be sufficient when 80 percent of the units are reserved for market rate units charging more than, say, $4,000 per month, and when few if any affordable units are designated for households with extremely low incomes, and even in these cases the developments receive low-interest financing and tax exemptions.

Ambitious design that set the bar high in terms of sustainable design and green elements can be achieved. New York projects have won design awards for excellence, innovation, incorporation of public realm, and mixed-use components that contribute to neighborhood qualities. Such experiences create an image of affordable housing projects that is remarkably different from the stigma associated with public housing of the 1960s.

Mixed-income housing can take many forms and be situated in many different types of neighborhoods. Physically, mixed-income housing can involve rehabilitation of existing buildings as well as new construction. It can involve walk-up buildings of six stories to towers of 30-stories or more. It can be limited to single buildings or encompass multiple structures. Mixed-income projects can be entirely residential, and they can include various types of nonresidential components too, including retail, medical offices, schools, and libraries. As noted above, New York’s mixed-income housing programs feature various combinations of income groups, with the representation of market-rate units varying from 80 percent to less than 20 percent. And, while it is true that mixed-income housing typically requires less subsidy in more affluent neighborhoods that command relatively high rents—rents that can “cross-subsidize” units occupied by low- and moderate-income households—with sufficient government subsidy mixed-income housing also is viable in low-income neighborhoods.

There is no one way to finance mixed-income housing. Nearly all of the city’s mixed-income developments have received some form of subsidy from New York City; very few have been underwritten entirely from private sources. Subsidies include property tax exemptions, grants, low- or zero-interest mortgages, federal Low-Income Housing Tax Credits, and project-based Housing Choice Vouchers. One challenge for financing mixed-income housing is the difficulty of providing subsidies for households with incomes that exceed the eligibility limits for the Federal Low-Income Housing Tax Credit (60 percent of AMI) but are too low to afford market-rate rents.

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**Implications for Action**

**Implications for Policy and Planning.**
- Policy makers and planners need a commitment to long-term planning and urban policy in order to align policy instruments and deliver economically and socially viable developments.
- Mixed-income housing often requires public subsidies in order to make units affordable to very low-income households. When developments target households with very incomes, when market rate-units account for less than about 80 percent of all units, and developments are located in neighborhoods where market-rate rents are lower than in the most expensive areas of the city, mixed-income housing almost always requires sizable public subsidy. Put differently, there is a trade-off between the depth of subsidy that can be provided and the number of affordable units that can be included in a mixed-income development, especially if the development doesn’t also receive public subsidies.

**Implications for Development and Investment.**
- Investors and developers should recognize and promote diversity of mixed-income models in terms of finance, planning, development, management, and potential to provide more inclusive neighborhoods.
- Given the variety of funding sources involved in mixed-income housing developments, planners should expect a collaborative endeavor involving partnerships between local government and for-profit and nonprofit organizations.
- Mixed-income housing need not be restricted to neighborhoods with particular market conditions.
- Developers should understand and facilitate residents’ understanding of and input on mixed-income projects at the neighborhood level. Residents and other community stakeholders may object to the development of mixed-income housing if it entails major increases in density, is seen as a catalyst for gentrification and displacement, charges “affordable” rents that most neighborhood residents still cannot afford, or segregates residents of the “affordable” units from tenants paying market rates.
- Developers and local governments should:
  - Ensure that at least some units in the development are affordable to low-income neighborhood residents;
  - Protect residents of nearby buildings from landlord harassment and pressure to move;
Rezone more affluent, predominantly white neighborhoods at higher density to avoid giving the impression that only low-income, minority neighborhoods are being upzoned.

Implications for Research and Evaluation.

- Researchers and evaluators should conduct more studies and ethnographies to improve understanding of the diversity of mixed-income models and help shape strategies to promote inclusive social dynamics. Key topics to study include:
  - Social interactions within mixed-income developments;
  - Resident satisfaction;
  - The financial performance of mixed-income developments, including the degree to which higher-income units can cross-subsidize lower income units with varying configurations of income groups and housing market conditions;
  - The social and economic benefits of mixed-income housing; and
  - The impact of mixed-income developments on surrounding communities, including the impact of increased densities associated with mandatory inclusionary zoning on neighborhood housing markets.

Implications for Residents and Community Members.

- Residents and community members should organize themselves to advocate for full understanding of proposed mixed-income housing in their communities and insist that city planners and developers maximize affordability in the housing, give preference for affordable units to local residents, respect and honor the character of the existing neighborhood, and provide ongoing opportunities for input before and after the housing is complete.
About the Volume

This essay is published as part of a volume titled, *What Works to Promote Inclusive, Equitable Mixed-Income Communities*, edited by Dr. Mark L. Joseph and Dr. Amy T. Khare, with developmental editing support provided by Leila Fiester. Production is led by the National Initiative on Mixed-Income Communities (NIMC) at the Jack, Joseph, and Morton Mandel School of Applied Social Sciences at Case Western Reserve University, with lead funding provided by The Kresge Foundation. The volume aims to equip a broad audience of policymakers, funders, practitioners, community activists, and researchers with the latest thinking and tools needed to achieve more inclusive and equitable mixed-income communities. This is the fifth volume in the Federal Reserve Bank of San Francisco’s What Works series, which has sought to analyze a variety of key themes in urban development.

The views expressed in the essays reflect the authors' perspectives and do not necessarily represent the views of The Kresge Foundation, the Federal Reserve Bank of San Francisco or of the Federal Reserve System.

Readers can view this essay, the framing paper for the volume, and all currently posted essays on NIMC’s website where new pieces are being uploaded every month. Essays will be compiled and released in a final print volume, with an anticipated release in 2020.

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