CUOMO for MAYOR

The Crisis of Affordability in New York City

Introduction

New York City is experiencing a crisis of affordability. Lower income New Yorkers have always struggled, but New York is rapidly becoming unaffordable for the middle-class. The cost of nearly everything has risen significantly since 2019 – the year before the Covid pandemic. Perhaps more than any other factor, this crisis of affordability is the cause of New York City's net loss of population over the last five years, with a total of roughly half a million New Yorkers leaving the city (only partially offset by in-migration).

The rise in the cost of living in New York City partly reflects the rise in the general rate of inflation nationally, which by itself was much higher than in previous years. From 2019 through 2023, the all-items CPI for U.S. urban consumers rose about 19.2% in total, and by the end of 2024 the total increase was thought to be approximately 22%. This equates to a compound average inflation rate of roughly 3.5–4% per year over those five years. By comparison, pre-2019 inflation averaged around 2% annually.

The cost of living in New York City has also risen faster than the growth in incomes. Estimates indicate that nominal median household income in New York City increased from roughly $70,000 in 2019 to about $77,000–$80,000 by 2023–2024. This represents an approximate total increase of 10–15% over the five-year period, or roughly 2–3% per year when compounded.[1] Affordability depends not only on the cost of living but also on the level of income available to cover expenses. Therefore, any effective Affordability Agenda must also focus on expanding access to jobs that pay well.

While it is challenging to quantify the overall rise in New York City's cost of living with a single metric, an analysis of individual expense categories reveals that, for most New Yorkers, costs have increased even more sharply than the general rate of inflation over the past five years. Examining the key expense categories that make up the largest share of the average New Yorker's budget provides a clearer picture of the affordability crisis.

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[1] Wages grew at a somewhat faster rate than median household income. Data for the New York-Newark-Jersey City metropolitan area from the Bureau of Labor Statistics points to average wage growth in the range of about 3–4% per year on a nominal basis. Over five years, this would compound to a total increase of around 15–20%.

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Housing

Housing costs – the largest expense of nearly all New Yorkers – have increased dramatically. A January 2024 report from the Office of the State Comptroller suggested that, overall, housing costs in New York City had increased by more than 50% in recent times. More striking was the Comptroller's observation that:

"Within the city, rent prices rose drastically in certain places in the decade leading to 2021. Neighborhoods like Bedford Stuyvesant (63.9%), Greenpoint and Williamsburg (63.1%) and Brooklyn Heights and Fort Greene (54.6%) drove the strong growth in Brooklyn in the decade prior."[2]

The report noted that by October 2023, 18% of tenants in New York City were behind on the rent.[3]

Taxation

Although tax rates have remained constant for most New Yorkers, rising property taxes have hit middle-class homeowners, the first Trump administration's SALT initiative continues to severely penalize almost any New Yorker who itemizes taxes, especially for the 1% of tax filers, who account for nearly half of New York City's income tax revenue. Moreover, the property tax levy for one- to three-family homes increased by approximately 17.3% between 2019 and 2024, marked by steady growth, a pandemic dip, and a resurgence thereafter.

Childcare

The price of childcare in New York has climbed steeply, although the total cost ranges widely. A study from the Office of the State Comptroller found that, statewide from 2018 to 2023, the average annual cost of childcare in New York State rose by nearly 18% (from about $12,400 per child in 2018 to $14,600 per child in 2023).[4] Another analysis noted child-care tuition in the city is around 40–50% higher in 2023 than in 2019, contributing heavily to family budget strain (though exact percentages vary by provider).

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[2] Office of the New York State Comptroller, "The Cost of Living in New York City: Housing," https://www.osc.ny.gov/files/reports/osdc/pdf/report-17-2024.pdf
[3] Ibid.
[4] Childcare in NY Challenged by Staff Shortages, High Prices and Too Few Slots | Office of the New York State Comptroller.

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Healthcare

Specific data regarding New York City is not available, but in New York State, average family health insurance premiums rose from $16,572 in 2011 to $26,355 in 2023, an increase of 59%. Average family deductibles in New York State grew from $1,918 to $3,672, or 91% from 2011 to 2023, compared to 70% in the U.S. overall.[5]

Growth in premiums and deductibles has surpassed growth in wages, with average family premiums (which are typically paid by the employer) and deductibles accounting for 38% of average wages in New York State.[6] Many employers have responded to this surge in the cost of healthcare by increasing employees' contributions through higher deductibles and co-pays.

Food

The cost of food has surged, especially during the pandemic years. In 2020–2022, food prices saw steep climbs. By 2023, grocery and restaurant prices in the U.S. were roughly 25% higher than in 2019. New York City's food inflation was similar, climbing by approximately 20–25% in total over 2019–2024. According to the United Way 2024 True Cost of Living Policy Brief, in 2022, NYC grocery prices jumped about 9.9%.[7] This rise in food costs has been a major factor driving the city's rising cost of living.

Transportation

In the NYC area, transportation prices (excluding public transit) grew about 25% from 2019 to 2023, outpacing general inflation. This was driven by pandemic effects–for example, a spike in car ownership and higher vehicle prices. By late 2023 and 2024, some transport costs (like gas and used cars) began easing, but overall, NYC transportation expenses in 2024 remain roughly 25% higher than their pre-2019 levels.

In short, there are many sources of rising costs of living, but it is clear that the cost of living in New York City has grown faster than general inflation and outpaced the increase in New Yorkers' incomes.

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[5](AHRQ, Medical Expenditure Panel Survey (MEPS) Insurance Component (IC))
[6]AHRQ, Medical Expenditure Panel Survey (MEPS) Insurance Component (IC) and U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics (OEWS) State Tables)
[7] (NYC_TrueCostOfLiving_PolicyBrief_2024.pdf).

GUBERNATORIAL RECORD ON AFFORDABILITY

When Andrew Cuomo took office in 2011, New York State was facing many of the same fiscal and economic issues that New York City is facing today. The State's economy was still recovering from the Great Recession that began in 2008. Property taxes were increasing at an unsustainable rate, significantly burdening homeowners. The state faced a $10 billion budget deficit. New York State was experiencing a population decline.

In his inaugural address in 2011, Andrew Cuomo said:

> "New York faces a deficit. A deficit that we talk about all day long, the budget deficit, the budget deficit. But it's actually worse. The state faces a budget deficit and a competence deficit and an integrity deficit and a trust deficit. And those are the obstacles we really face.
> "And the state is at a crossroads. I believe the decisions that we make, the decisions my colleagues make, this year will define the trajectory of this state for years to come. The decisions we make today will shape the state we leave our children tomorrow."

Andrew Cuomo began to immediately put in place a wide range of economic measures that made New York State more affordable for its residents and more attractive to businesses. These initiatives included the following:

- **2% Property Tax Cap**

  The statewide property tax cap, from which New York City was exempted, limited annual growth in a municipality's tax levy to 2% unless a higher increase was approved by a supermajority of voters. Over the last 14 years, the 2% property tax cap has saved New Yorkers billions of dollars.

- **2% Cap on State Operating Funds Growth**

  Andrew Cuomo prioritized fiscal discipline throughout his tenure by implementing a 2% cap on State Operating Funds growth. This measure helped control government spending and reduced the need for tax increases while maintaining key services. From 2011 until 2021 (when additional spending was needed to address impacts on the budget related to the COVID pandemic), growth in State Operating Funds spending was held to 2.0% annually.

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Middle-Class Tax Relief

Throughout his tenure, Andrew Cuomo enacted multiple income tax cuts targeting middle-class New Yorkers. In 2011, he reduced personal income tax rates for middle-income earners, creating the lowest rates since the 1950s. In 2016, the state began phasing in reductions that lowered the middle-class income tax rate from 6.85% to 5.5% by 2025, providing significant savings for families earning between $40,000 and $300,000. By the end of Andrew Cuomo's tenure, middle-class tax rates were at their lowest in over 70 years, offering relief to millions of New Yorkers.

Corporate Tax Rate Reduction

Under Andrew Cuomo, New York State lowered its corporate tax rate from 7.1% to 6.5%, marking the lowest rate since 1968. For manufacturers, the corporate tax rate was reduced to 0%, incentivizing industrial growth and job creation. These tax cuts aimed to improve the state's business climate, encourage investment, and support economic expansion, saving businesses billions over the past decade.

Creation of the Essential Plan to Provide Health Coverage to Working-Class New Yorkers

Andrew Cuomo established the Essential Plan in 2014 in connection with the Affordable Care Act. The Essential Plan provides health coverage to approximately 1.5 million working-class New Yorkers with incomes up to 250% of the federal poverty level. It offers comprehensive coverage with no premiums and virtually no co-pays or deductibles. By 2021, New York's uninsured rate had dropped below 5%, in part due to the success of the Essential Plan.

Minimum Wage Increase

In 2016, Andrew Cuomo spearheaded one of the most significant minimum wage increases in the nation, achieving a phased increase to $15 per hour by 2018 in New York City and steadily extending to surrounding regions thereafter. This was the largest wage increase for low-income workers in state history, lifting wages for over 2.3 million New Yorkers.

Expansion of Childcare

Andrew Cuomo expanded access to affordable childcare, particularly for low-income families. His administration expanded state-funded childcare subsidies, significantly increasing state support for childcare during his time in office. He also made possible the launch of universal pre-K in New York City by securing $300 million in state funding to launch the universal pre-K program in 2014. Additionally, he allocated hundreds of millions in new funding for childcare providers, stabilizing the industry and increasing availability of subsidized slots. His administration also introduced tax credits for employers providing on-site childcare, encouraging businesses to support working parents.

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Expanding Pre-K for Three-Year-Olds

Beginning in 2015, Andrew Cuomo launched a pilot program to extend pre-kindergarten to three-year-olds in New York's highest-need communities. He committed $25 million in state funding, aiming to create more than 5,000 new pre-K seats for three-year-olds across over 250 eligible school districts—including those in New York City. In the 2015–2016 budget, an additional $30 million was allocated to expand pre-K for both three- and four-year-olds in these high-need districts.

Supporting New Housing and Protecting Tenants

During his tenure, Andrew Cuomo implemented significant housing initiatives to increase the supply of affordable housing and protect tenants. These initiatives included:

$20 Billion Affordable Housing Plan

In 2016, Andrew Cuomo unveiled a comprehensive five-year, $20 billion plan aimed at combating homelessness and increasing the availability of affordable housing. This initiative allocated $10 billion to create and preserve over 110,000 affordable housing units, including 12,000 units under the "Affordable New York" program. An additional $10 billion was dedicated to developing 6,000 supportive housing units and funding services to address homelessness.

421-a Tax Exemption Reform

Andrew Cuomo reformed the existing 421-a tax exemption program, rebranding it as "Affordable New York." The updated program required developers to set aside 25% to 30% of units as affordable housing to qualify for tax exemptions. It also extended the exemption period to 35 years and introduced wage requirements for construction workers on large projects in specific areas.

Tenant Protection Unit (TPU)

Established in 2012, the TPU functions as a proactive law enforcement office within New York State Homes and Community Renewal. Its mission is to preserve affordable housing by detecting and curbing landlord fraud and harassment through audits, investigations, and legal actions. The TPU ensures compliance with rent regulations and safeguards tenant rights.

PLAN FOR ADDRESSING NEW YORK CITY'S AFFORDABILITY CRISIS

Improving affordability for all New Yorkers is a key focus of Andrew Cuomo's broader policy agenda for New York City. His plan to address the affordability crisis includes the following initiatives:

A Comprehensive Housing Strategy

- Increase the supply of affordable housing, expand subsidized workforce housing, and strengthen renter protections to prevent temporary financial setbacks from resulting in homelessness.

Guarantee Universal 3-K and Expand Childcare Options

- Ensure sufficient 3-K enrollment slots in every neighborhood, reasonably close to families' homes or workplaces.
- Make targeted investments in childcare and integrate childcare into economic development strategies whenever possible.

Provide Targeted Tax Relief

- Offer tax relief to small homeowners and lower-income workers to help ease financial pressures.

Expand Access to Affordable Healthcare

- Connect all New Yorkers to primary care and specialty care when needed.
- Establish a NYC Healthcare Ombudsman to assist residents who are denied coverage by their insurance plans.
- Recognizing that healthy food is a key to wellness, increase access to affordable, nutritious food options.

Make Transportation More Affordable

- Increase participation in the Fair Fares program.
- Explore revival of the pilot program for free bus routes to reduce commuting costs.

Boost Incomes Through Economic Development

- Support job creation, workforce training, and worker protections to ensure more New Yorkers earn sustainable wages and can afford to live in the city.

Make Housing More Affordable

Housing costs are the largest expense for most New Yorkers, and both rents and home prices have increased sharply in recent years.

A median-income household would have to spend 40% of its income to afford the median rent, while 20% of New York households spend over half of their income on housing. The median home price in New York is eight to ten times the median income—well above the ratio seen in other large American cities. Around 30% of housing units in New York City are rent regulated, but the demand for these and other affordable apartments far exceeds supply.

Improving housing affordability in New York City requires a comprehensive approach that both increases the supply of housing – especially affordable housing – and enforcement of tenant protections against excessive rent increases and eviction.

Housing experts agree that increasing the overall supply of housing helps reduce costs across the market.[8] To address the housing scarcity that is driving up rents, Andrew Cuomo's comprehensive Housing plan will work to build more housing at all income levels.

This plan will use every lever at the mayor's disposal to accelerate the pace of construction for affordable and workforce housing. Permitting and regulatory processes will be streamlined, building codes reviewed for efficiency, and zoning reforms targeted for maximum impact. The city will identify and explore the housing potential of every available piece of city-owned land.

Andrew Cuomo will collaborate with the state and developers to increase the number of units built under state tax abatement programs, including "485-x" (the successor program to 421-a) and the new 467-m for office to residential conversions. Additionally, the city will explore expanding transfer rules for the development of air rights while ensuring the growth remains conscious of the physical character of our communities.

Andrew Cuomo's plan also calls for new construction of affordable housing on NYCHA land and empowers NYCHA to explore creative solutions like land swaps and transfers of assistance. The city has been too slow to embrace these strategies. He will also commit city capital to ensure that all NYCHA sites are livable and safe environments. Throughout this process, resident input and leadership will be a central part of every decision. NYCHA families deserve better, and together, we can make this program better.

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[8] [Furman Center].

We must also address the “missing middle” of housing policy. Since the 1970s, American housing policy has largely neglected middle class housing, and New York City is suffering for it today. To reverse this trend, we will work with the affordable housing and real estate development communities, as well as our partners in State government, to identify ways to support the development of workforce housing with rents up to 120% to 130% of the area median income. In most cities, the private market produces most of these units, but New York’s high costs require additional interventions. Without this housing, we risk losing talent to other cities —and when talent leaves, jobs follow.

On the demand side of housing policy, we must do everything possible to keep residents in their homes— otherwise, we risk overwhelming a market that cannot accommodate them. One of the most effective ways to prevent eviction is to ensure that tenants have legal representation in housing court. Before the COVID-19 pandemic, this was standard practice, but the breadth of legal coverage has declined under the Adams administration – a situation that must be reversed. We also need to fix housing court; it cannot take two years to resolve straightforward cases. The city should streamline this process and, if diversion to other assistance is necessary, ensure that tenants are connected to help promptly.

Housing subsidies – funded at all levels of government – play a critical role in making rents more affordable for residents across a range of income levels. The program over which New York City has the most control is the “City Fighting Homelessness and Eviction Prevention Supplement” (CityFHEPS) voucher program, which provides low-income families with rent vouchers for up to five years. The total cost of CityFHEPS has grown from $174 million in 2019 to more than $816 million in 2024, with future projections expected to rise ever higher.

One of the most challenging issues New York City faces is striking the right balance in the CityFHEPS program. If the structure of the program is too expansive and all eligible households participate, CityFHEPS will become financially unsustainable. On the other hand, if the program is too restrictive, many families will be pushed into homelessness.

CityFHEPS can help make housing more affordable, but its success relies heavily on landlord participation. The city must enforce regulations to ensure that landlords comply with the law and do not unlawfully reject tenants who rely on rental assistance. The city must also ensure that the CityFHEPS program operates effectively on the administrative side, so that when tenants have vouchers, payments are issued promptly rather than months or years later. A joint 2024 report from Women in Need (WIN) and the Real Estate Board of New York (REBNY) offers many useful recommendations for improving these processes.

Finally, New York City must be vigilant in protecting tenants from illegal landlord practices. Andrew Cuomo made the State's Tenant Protection Unit a priority during his time in office, and he will bring that same commitment to the city as mayor. This includes enforcing legal protections against landlords who discriminate by refusing to accept vouchers. Only by strengthening both the supply and demand sides of housing policy—and holding bad actors accountable—can we ensure that all New Yorkers find and keep safe, affordable homes.

Provide Targeted Tax Relief

Taxes play a crucial role in affordability for New Yorkers. As noted, while most residents have not experienced increased tax rates in recent years, property tax levies on one-to three-family homes have risen by 21.5% since 2019. Additionally, many more New Yorkers continue to be penalized by the 2017 SALT program, and high-income New Yorkers, who have the greatest mobility and propensity to move, have seen significant tax hikes, with the highest marginal tax rate in New York City now reaching 14.8% when combining state and city income taxes, the highest in the country.

It goes without saying that New York City will have a stronger argument for tax relief if it has its fiscal house in order. However, if spending consistently outpaces inflation, it will be significantly more difficult to secure tax relief at any level of government. Unfortunately, over the past 12 years, New York City's budget has grown at a rate much higher than inflation, without a corresponding improvement in the quality or extent of city services.

Keep Our Fiscal House in Order

City expenditures have increased by 62% since 2013, rising much more rapidly than Urban CPI inflation (4.5% vs. 2.7% as a compound annual growth). The city's total tax revenue has risen by more than 25% just since 2019, and the city keeps spending under the assumption that taxes will continue to grow faster than inflation and that the Republicans in Washington DC will maintain federal aid at recent levels.

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Spending substantially in excess of inflation has been exacerbated by opaque budgeting practices. In recent years, the city's revenue forecasts have routinely been underestimated. This practice, combined with the reliance on savings from the "programs to eliminate the gap" (PEGs) has led to across-the-board cuts in services affecting affordability. These mid-year cost-cutting exercises are often later reversed, following public outcry and higher revenues, but it is still disruptive to the programs.

New York City's ability to control taxation on city residents is essentially limited to uniform changes in property tax rates within various legally defined classes of real estate. Other changes are controlled by State law, although the Mayor can have significant influence on taxation decisions affecting only New York City residents. In order to provide targeted tax relief to New Yorkers, Andrew Cuomo's Affordability plan calls for passage of the following measures:

Extend the Statewide 2% Property Tax Cap to 1-3 Family Homes

New York City was exempted from Andrew Cuomo's 2011 statewide property tax cap, which limited increases in the property tax levy of a municipality to 2% annually unless a higher rate was approved by a super majority of voters.

Between 2011 and 2024, the residential property tax levy in New York grew at an annual rate of 3.6%. The compounded effect over 13 years of the excess over 2% would amount to roughly 20% of the property tax bill of a typical homeowner in New York in 2026. The impact on New York City's overall revenues would be too great to set new property tax rates as though the 2% property tax cap had been in effect since 2011.

Extending the 2% property tax cap going forward on 1-3 family homes (Class 1) would save homeowners hundreds of dollars and eventually thousands of dollars per year over time.

Inflation Adjust the Lower Boundary of the Mansion Tax

An additional real estate property transfer tax on sales of $1 million or higher was first imposed in 1989 and has never been adjusted for inflation. A $1 million home in 1989 might have seemed like a mansion, but that is no longer the case in 2025. If this $1 million threshold had just increased at the rate of growth of the urban CPI through 2024, the $1 million threshold would have been increased to approximately $2.5 million.

Accordingly, Andrew Cuomo's plan calls for increasing the threshold of the Mansion Tax to $2.5 million, with ratable adjustments in the graduated tax rates on the sale of homes up to $5 million.

Eliminate New York City Income Tax for Low-Income Households

Andrew Cuomo would strongly advocate that the State authorize the elimination of New York City income tax for taxpayers with dependents whose incomes are at or below 200% of the federal poverty level (FPL). The proposal would gradually phase out for tax filers whose incomes are within $5,000 of the 200% FPL threshold. This proposal requires approval by the State legislature.

The federal poverty level (FPL) is a sliding scale based on household size:

- **200% of FPL for a family of two: $42,300 → Annual NYC income tax savings: $345**
- **200% of FPL for a family of three: $53,300 → Annual NYC income tax savings: $552**
- **200% of FPL for a family of four: $64,300 → Annual NYC income tax savings: $758**

Eliminate New York City Income Tax on Tips

Both President Trump and Vice President Harris called for the elimination of both income and payroll taxes on tips during their presidential campaigns, and this proposal is expected to be part of the federal tax package passed by Congress this year.

Andrew Cuomo strongly supports extending this policy to New York City.

While publicly available data makes it difficult to estimate the direct savings for workers, the Committee for a Responsible Federal Budget projects that the federal "no tax on tips" policy could reduce federal revenues by $15–$25 billion annually over 10 years, with much of this loss coming from reduced payroll taxes rather than income taxes. Given that tips represent a significant portion of total income for many service industry workers, adopting the “no tax on tips” at the city level would provide meaningful financial relief to these workers.

EXPANDING PRESCHOOL EDUCATION AND AFFORDABLE CHILDCARE

For families with young children, the expense of childcare is one of the main reasons that life in New York City can be unaffordable. According to the United Way study of the "True Cost Of Living" in New York City, approximately 65% of households with at least one child under the age of five struggle to make ends meet.[9]

According to The New York Times:

- "A New York City family would have to make more than $300,000 a year to meet the federal standard for affordability — which recommends that childcare take up no more than 7 percent of total household income — to pay for just one young child's care. In reality, a typical city family is spending over a quarter of their income to pay for that care, according to the U.S. Department of Labor."[10]

The lack of childcare has a significant impact on the city's economy. According to a 2022 New York City government report, more than half a million people did not seek employment in 2021 due to childcare needs, and approximately 375,000 parents left or considered leaving their jobs due to the combined impact of the pandemic and a lack of affordable childcare.[11]

Andrew Cuomo's plan to address this critical component of New York City's affordability crisis addresses three distinct challenges. First, ensure that all three-year-olds and four-year-olds have a guaranteed place in the city's 3-K or universal pre-K program. Second, expand the availability of affordable childcare for children not yet old enough for 3-K. Third, provide targeted resources and innovative solutions to bolster the childcare workforce.

[9] 2024 True Cost-Of-Living Policy Brief, pg. 27
[10]https://www.politico.com/news/2022/12/23/why-new-yorks-neediest-families-arent-using-free-pre-k-and-3k-00075204
[11]https://www.politico.com/news/2022/12/23/why-new-yorks-neediest-families-arent-using-free-pre-k-and-3k-00075204

Making Pre–K and 3–K Truly Universal

New York City's universal pre–K program has been a success. Andrew Cuomo takes great pride in the fact that he was able to secure $300 million in the State budget to enable the launch of universal pre–K in 2014 without the need to raise New York City income taxes. This funding increased to $540 million by 2019. Today, approximately 70,00 four-year-olds are enrolled in universal pre–K, representing about 90% of the number who will enroll in kindergarten.

Since 2017, the city's goal has been to expand the universal pre-K success story to include three-year-olds, ensuring that that every child has the opportunity to enroll in a publicly funded 3–K program. The reality, however, is that only about 43,000 three-year-olds – out of a potential pool of nearly 60,000 children – are currently enrolled in 3–K.

This shortfall stems from a mismatch in the supply and demand for seats across various neighborhoods. The greatest number of open seats are in high-poverty areas such as Highbridge and Morrisania in the Bronx, while the 10 neighborhoods with the fewest available seats include wealthier areas such as the Upper East Side and Soho.[12]

Achieving truly universal 3-K would save families at least $10,000–$20,000 per year in childcare costs – a game-changer for affordability. It would also better prepare children for school and deliver long-term educational benefits, particularly for children from low-income families.

Andrew Cuomo's administration will fulfill the promise of universal 3–K, ensuring that all three-year-olds have access to a seat in a location that is convenient for their families – whether near home or work. He will pursue this objective through the following initiatives:

Ensure Sufficient Funding for 3-K Expansion

The preliminary FY26 budget submitted by the Adams administration cut funding for 3–K by $112 million.[13] This funding must be restored in the enacted Budget.

[12]https://www.politico.com/news/2022/12/23/why-new-yorks-neediest-families-arent-using-free-pre-k-and-3k-00075204
[13]https://ny1.com/nyc/all-boroughs/politics/2025/01/17/mayor-adams-114-billion-budget

- **Make Strategic Investment to Add 3-K Seats where Demand is Highest**

  The city should analyze application data to pinpoint "3-K deserts" and allocate funding and classroom space accordingly. For instance, districts with long waitlists could see new 3-K classrooms open in under-utilized school buildings or community centers.

- **Improve funding efficiency**

  According to a statement by New York City's Director of Finance in November 2023, New York City was paying providers for 37,000 unfulfilled 3-K seats.[14] The funding formula must be better aligned with actual enrollment.

- **Strengthen outreach efforts in neighborhoods where seats remain unfilled**

  Every parent should be aware of 3-K opportunities and feel confident enrolling their child. Outreach efforts must be expanded to ensure that all families understand their options.

Expanding Childcare Opportunities

The second aspect of the childcare challenge—providing care for children too young for 3-K—is more complex. Childcare costs have increased significantly since 2021, as noted above.

While exact figures fluctuate by fiscal year and program, recent estimates indicate that New York City provides between 70,000 and 80,000 federally subsidized childcare slots each year through programs that draw on federal funds—primarily via the Childcare and Development Fund (CCDF) and complementary initiatives like Head Start. These slots are generally only available to families with household incomes approximately 150% of federal poverty level (FPL), and in which both parents are working, seeking employment, or pursuing education.

Additional childcare slots are funded by the state government. Families may be eligible for childcare assistance with incomes up to 85% of the state median income—approximately $73,870 for a family of two and $108,631 for a family of four.

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[14]transcript of Adams' press conference, November 2023 – https://www.nyc.gov/office-of-the-mayor/news/888-23/transcript-mayor-adams-holds-in-person-media-availability

Estimates of the cost of expanding free childcare vary widely. However, among the proposals focused on children too young to be eligible for 3-K was the 2019 proposal called "Under Three," which estimated that a childcare assistance program covering families with income up to 400% of FPL (about $100,000 for a family of four) would cost roughly $660 million – a figure that would certainly be significantly higher in 2026.

While broad expansion to make universal childcare a reality should be our aspirational goal, the investment required to fully implement such a program immediately would limit the city's ability to fund other critical priorities. Nevertheless, New York City can and should expand access to affordable childcare for working parents and strengthen its existing childcare infrastructure.

In order to ensure that eligible New York City families take full advantage of available childcare assistance, the city should do the following:

- **Broaden access to parents who are eligible for childcare subsidies** by removing the wage floor, increasing the income ceiling, and allowing flexibility by separating authorized care hours from work hours.

- **Strengthen outreach efforts**

  As with universal pre-K and 3-K, engagement with families is critical to ensuring that eligible households take advantage of these programs. In 2022, only 36% of the city's contracted slots for infants and toddlers under age three were filled.[15]

- **Encourage employer-sponsored childcare** as a criterion in awarding economic development grants, Additionally, encourage businesses to support employer-sponsored childcare as a tool for attracting and retaining talent. Design support for economic development projects receiving city funds to include space suitable for childcare facilities whenever possible.

- **Increase enrollment through automatic enrollment or extended eligibility**

  Streamlining the enrollment process will ensure that more eligible families receive childcare support without unnecessary barriers.

[15] 5Boro

A third critical step toward achieving access to affordable childcare requires addressing the capacity limitations of the current childcare system. This issue is particularly acute in childcare deserts – areas where the supply of licensed childcare providers is far below the demand.

New York State data highlights the severity of the problem: from 2015 to 2023, over 1,200 childcare providers closed their doors, exacerbating childcare shortages across the city. Additional childcare centers are needed throughout the city to increase the capacity of the current system.[16] Among the steps the city can take to increase the number of childcare centers and childcare workers are the following:

- **Incentivize the development of more childcare centers in childcare deserts**

  These incentives could include working with businesses and not-for-profits with vacant space to convert the space into a childcare center on favorable terms; directing Department of Education to analyze all public schools with spaces not utilized to be repurposed for childcare facilities; and creating a revolving loan fund to provide interest-free loans and grants to build-out childcare spaces.[17]

- **Grow the childcare workforce pipeline**

  This will require the Department of Youth & Community Development to create a Childcare Youth Employment Program and/or expand Summer Youth Employment options into the childcare sector.

- **Revamp the City's $25 million tax credit program to better support property owners who retrofit spaces into childcare centers**

  Currently, the credit falls short of covering the full costs of renovations and operations, making it difficult for many property owners to utilize. By increasing the value of individual tax credits within the existing funding envelope, the State can make the program more effective by optimizing how the existing $25 million is distributed.[18]

[16]2023-DCCS-Fact-Sheet.pdf/ 2015-DCCS-Fact-Sheet.pdf
[17] Columbia SPA, Communities Speak: Families with Children Policy Brief
[18] https://www.amny.com/opinion/improve-child-care-access-new-york-city-families/

MAKE TRANSPORTATION MORE AFFORDABLE

The cost of transportation affects all New Yorkers, including those who rely on public transit. Many cities in the US and around the world have been implementing initiatives designed to increase the affordability of their public transit systems. Affordability initiatives need to be weighed against lost revenue to the MTA, so a broader discussion of these affordability options should be considered in the context of other decisions about the MTA that affect New York City. That said, there are at least two transportation affordability initiatives that should be part of an affordability agenda.

Increase Enrollment in Fair Fares NYC: Half-Price Transit for Low-Income New Yorkers

Fair Fares NYC is a city program that offers discounted transit fares for low-income residents. Launched in 2019 and expanded in phases, it provides eligible New Yorkers a 50% discount on subway and local bus rides (and Access-A-Ride paratransit). The program is administered by the NYC Human Resources Administration (DSS) and funded by the city budget (not the MTA's budget). Eligibility is limited to New Yorkers with incomes up to 120% of FPL, or about $33,000 for a family of four.

Uptake of Fair Fares has grown, but participation remains well below the number of people eligible. As of early 2024, roughly 331,000 New Yorkers were enrolled in Fair Fares, even though about 800,000–950,000 people are eligible under the income threshold. For those who do enroll, the impact on affordability is significant. Fair Fares essentially cuts the cost of commuting in half, which can save a regular rider hundreds of dollars a year. For example, a monthly unlimited MetroCard costs $132 at full price; a Fair Fares user pays $66 for the same pass. Many low-income New Yorkers have very limited disposable income, so this relief is meaningful.

Surveys indicate that lack of awareness and administrative hurdles are key factors – many low-income individuals don't know the program exists or how to apply. New York City should more aggressively pursue efforts to ensure that those who are eligible for Fair Fares enroll in the program.

Fare-Free Bus Pilot

In 2023, the MTA launched a pilot program making five bus routes (one per borough) free of charge. The pilot ran from September 24, 2023 through August 31, 2024. Its goals were to evaluate how zero fares would affect ridership, equity, access, and fare evasion on buses, and to see whether the service would attract new riders. The state-funded program covered five bus routes, which together served about 44,000 weekday riders prior to the pilot.

The fare-free bus lines generated significant ridership increases, with weekday ridership up roughly 30% and weekend ridership up 38% compared to before the pilot. The biggest increase in ridership came from lower-income New Yorkers earning under $28,000 a year, indicating that the program provided economic relief to a segment of the population that relies completely on public transit.

Another benefit of the program is that removing the farebox had a safety benefit: incidents of assaults on bus operators dropped almost 39% on these routes during the pilot, as fare disputes were eliminated. The MTA's farebox revenue from buses is close to $700 million annually, so scaling a fare-free bus program would have to be done judiciously. Nevertheless, there were enough promising results in the 11-month pilot that the city and the State should explore whether this is an effective means of making New York City more affordable.

Make Healthcare More Accessible and Affordable

The issue of affordability of healthcare in New York City has two basic components. More than 60% of New York City residents receive free or heavily subsidized government-provided health care coverage from Medicaid, the Essential Plan, and Child Health Plus; Qualified Health Plans supported by tax credits under the Affordable Care Act; or Medicare. For these New Yorkers, access to care is the main issue. Healthcare affordability (even if it's free) is only meaningful if people can access services.

The second component of healthcare affordability in New York City involves the cost of healthcare for those covered by employer-sponsored plans or in the individual insurance market. These costs, especially including deductibles and co-pays, have grown at a rate much higher than general inflation.

ACCESS TO CARE

Ensure Access to Primary and Specialty Healthcare. Every New Yorker should have a connection to a primary care provider or health system—this should be our "North Star" healthcare goal. Andrew Cuomo's Health and Wellness Agenda will build on the strengths of NYC Health + Hospitals (H+H), including its NYC Cares program, which provides over 145,000 low-income individuals access to a NYC Health + Hospitals healthcare provider. New York City will also seek to partner with large independent physician associations, which are providing community-based care in their neighborhoods, as well as with the federally-funded community health centers, which operate more than 470 sites across the city.

Bring Healthcare Services to Where People Are. An integral part of Andrew Cuomo's Health and Wellness agenda is to bring healthcare services directly to communities – especially in public schools and NYCHA housing. Expanding on-site healthcare access in these locations will remove barriers to care and improve health outcomes.

Preserve and Strengthen Safety Net Hospitals. Even as more healthcare services shift to community-based care, it is essential that New York City maintain and strengthen its network of safety net hospitals. Health + Hospitals (H+H) is the anchor of hospital access for most lower income communities, serving more than 1 million patients every year. Andrew Cuomo's plan calls for leveraging H+H's strengths and its economies of scale, including by having H+H partner with academic medical centers and smaller, stand-alone private safety-net hospitals to improve efficiency and expand services.

The Crisis of Affordability in New York City

Affordability of Care

New Yorkers who have employer-sponsored coverage or commercial health insurance have better access to care than those on government-funded plans. For these New Yorkers, however, high premiums, deductibles and co-pays often make the cost of receiving care hard to afford. Moreover, in the case of employer-sponsored coverage, higher-than-inflation growth in the cost of healthcare services and health insurance premiums makes New York a less attractive place to do business and suppresses wage growth because an ever-larger share of compensation is reserved to pay health benefits.

It is also the case that New Yorkers with public and private health insurance coverage alike often struggle with denials of coverage for particular services by their insurance plan.

To address these issues of affordability, New York City should pursue the following initiatives.

- **Use the New NYC Office of Healthcare Accountability to Address Issues of Affordability**

  In June 2023, the city charter was amended to establish the Office of Health Care Accountability to serve as a vehicle for improving the affordability of healthcare for consumers, as well as for New York City government. This Office is charged with helping to identify inefficiencies in the healthcare system that can be addressed to improve quality, lower costs and increase the sustainability of safety net hospitals and other vulnerable participants in the healthcare delivery system.

- **Promote Price Transparency for "Shoppable" Healthcare Services**

  One of the main purposes of the city's new Office of Healthcare Accountability is to enhance price transparency by enabling comparisons of healthcare costs across different providers, particularly for "shoppable" services to help consumers make informed choices. In addition to the advocacy efforts of the Office of Healthcare Accountability on price transparency, New York City can lead by example when it comes to price transparency by ensuring that MetroPlus, the city-owned healthcare plan, has a state-of-the-art price transparency tool for its commercial insurance members.

Protect New Yorkers from Health Insurance Plan Denials

Regulation of health insurance and the healthcare delivery system is a state responsibility. Nevertheless, in the same way that both New York State and New York City have agencies focused on consumer protection, New York City can play a complementary role in protecting residents from abusive practices of health insurance companies, in particular unfair denial of coverage. New York City will do this by adding a healthcare insurance ombudsman function to its existing Department of Consumer and Worker Protection.

Scale Up Efforts To Make Healthy Food More Accessible and Affordable

During his tenure, Andrew Cuomo focused on making fresh, locally produced food available and affordable in underserved communities through a wide range of innovative programs. These included farmers' markets, mobile markets, and food boxes; investing in urban agriculture and community gardens; building out the infrastructure to connect New York farms with NYC consumers (food hubs, wholesale markets); and leveraging institutions (schools, food banks) to distribute healthy food widely. He will bring this ambitious approach to supplement New York City's existing programs that are aimed at increasing access to healthy food and making it more affordable.

IMPROVE INCOMES THROUGH BETTER JOBS

New York City's overall economy is resilient, with private sector employment returning to pre-COVID levels. However, much of this job growth has been concentrated in low-paying, government-funded sectors, such as home health care and human services. Even as recently as the decade before the pandemic, jobs for New Yorkers without a four-year college education —including construction, retail trade, and leisure and hospitality — were growing strongly. That is no longer the case.

Half of the affordability equation is developing the types of private sector jobs that pay well above the minimum wage. As part of a comprehensive economic development and job creation agenda, Andrew Cuomo will emphasize the following initiatives to ensure that economic growth benefits all New Yorkers.

The Crisis of Affordability in New York City

Strengthen the Educational System

Achieving real economic mobility starts with education and training. The 3-K through 12 education system must be improved, including expanding and strengthening vocational and technical education. CUNY also has a vital role to play in this effort. Programs like CUNY Reconnect, for example, help adult New Yorkers with some college credits but no degree to re-enroll at CUNY and complete their credentials. New York City should set an ambitious goal of 50% college attainment within a decade, compared to current rates of 24% for Hispanics and 31% of African Americans in the city. Workforce training and apprenticeships – including in nontraditional sectors such as healthcare – are also powerful pathways to economic mobility.

Prioritize Programs That Increase Economic Mobility

Government can promote economic mobility and inclusive growth by expanding programs that give more New Yonkers access to higher-paying jobs. As governor, Andrew Cuomo launched several successful workforce programs for at-risk men aged 18 to 24 to help them enter the job market. He also increased the percentage of state procurement contracts for minority- and women-owned enterprises (MWBE) from 20% to 30%, creating jobs in underserved communities. As mayor, he will focus on high rates of unemployment among young men, strengthen the city's MWBE program (which lacks the clear guidelines of the State's MWBE program), and launch an initiative to help immigrant- and minority-led firms scale up from small businesses to mid-sized firms.

Develop Economic Ecosystems that Create Good Jobs

To accelerate growth, New York City's economic development policy should focus on sectors where the city has a competitive advantage. With its world-leading hospitals and strong presence in technology, New York City can become a global leader in Artificial Intelligence (AI) —an industry that will profoundly reshape the global economy in the years ahead. New York City is already home to major industries where AI has transformational applications, including finance and fintech; healthcare and biotech; media and advertising; and retail and e-commerce. Additionally, New York City hosts three major universities heavily engaged in AI research and talent development, including Columbia, Cornell Technicon, and NYU. By leveraging AI innovation across industries, New York City can attract investment, create high-paying jobs, and remain at the forefront of the global economy.