FEDERAL RESERVE BANK of NEW YORK

FED & MAIN

Creating an Economy That Works for All

Our August Focus: Our "Exploring Institutional Investment in Multifamily Affordable Housing" event on September 15. Learn more.

HOUSEHOLD FINANCIAL WELL-BEING: The U.S. is experiencing its worst housing affordability crisis in decades, USA Today reports.

Prospective homebuyers would need an annual income of $126,700 to afford the median sales price of a home in 2024, according to a new study by Harvard's Joint Center for Housing Studies. Only 13% of the nation's 46 million renters make that much money. The median home price is now five times the median household income, a level not seen since the height of the subprime mortgage crisis, according to USA Today.

ACTIONS: Voters have approved more than $640 million in state and local affordable housing bonds in the past year, according to the Harvard study. Many cities are also relaxing zoning restrictions to permit multifamily housing and encouraging the adaptive reuse of vacant commercial properties. Builders are responding by offering smaller units and mortgage buydown programs, a financing technique that allows homebuyers to save on their interest rate for the first few years of the loan, noted the National Association of Home Builders.

IDEAS: Nearly one-third of Bronx households lack broadband access, limiting connections to education and healthcare information, The City writes on a Center for an Urban Future report. Affording broadband remains a major challenge in the Bronx, where the poverty rate is 28%, significantly above the citywide average. Bronx residents pay the highest average monthly broadband bill in New York City, about $10 more than in Brooklyn, which currently ranks second highest in broadband costs.

ACTIONS: The state's Affordable Broadband Act, effective January, requires internet providers to offer slower plans for $15 a month or faster plans for $20 a month to eligible New Yorkers, reports Access NYC. In addition, a proposed Bronx Digital Equity Plan offers a laptop lending library that would provide devices to 184,000 households in the borough without computers.

HEALTH: A new $45 million cold storage facility in the Bronx could transform how New Yorkers access locally grown food, Caribbean Life reports.

The goal for the New York State Regional Food Hub, a newly opened 60,000-square-foot facility in Hunts Point, is to scale the storage and distribution of locally sourced food. State officials say the hub will increase the volume of local produce distributed across the state by 600%. The initiative is also expected to create more than 200 jobs for residents, according to the piece.

ACTIONS: Backed by $19 million in state and private funding, the Hub seeks to quadruple operator GrowNYC's wholesale space and expand food distribution to over 20 nonprofit partners. The facility is meant to help regional farmers access institutional buyers and restaurants across the city.

CLIMATE RESILIENCE: Natural areas in New York City absorb an estimated 17% of all urban stormwater, saving $760 million annually in avoided treatment costs, the Natural Areas Conservancy reports.

Natural areas— including forests, wetlands, and meadows— consistently outperform other green infrastructure in stormwater capture. Healthy forests can absorb up to 10% more stormwater than degraded ones, the piece notes. But natural areas remain underrepresented in urban stormwater planning, partly due to a lack of high-quality spatial data, according to the piece.

ACTIONS: Infrastructure like rain gardens filled with native plants, porous pavement, constructed wetlands, green roofs, and green spaces absorb rainfall "like giant sponges" and allow water to infiltrate into the ground or evaporate naturally, the Kresge Foundation reports. Cities including New York, Philadelphia, Seattle, and New Orleans have invested hundreds of millions of dollars in green infrastructure programs, driven by environmental concerns and economic necessity, the article says.

The New York Fed's Community Development unit works with community leaders to understand community needs and with capital providers to foster economic opportunities. We are searching for ideas that can tear down barriers to economic mobility for low- and moderate-income people; our focus is on the economic drivers of health, household financial well-being, and climate-related risks. Our goal is to elevate those ideas and connect them with funding. To see our past newsletters, events calendar, and learn more, visit our website.