
City Subsidy Exhausted, Development Of Low-Income Housing May Slow

By **ELIOT BROWN**
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The pace of development for low-income housing could slow considerably, as a source of city subsidy has been exhausted.

The city's Housing Development Corporation is expected today to approve more than \$290 million in tax-free bonds for developers creating "affordable" housing, an amount that fully depletes the agency's annual stores of the financing bonds halfway through the year. An increasingly large number of developers have been attracted to the incentive in

recent years, draining stores of the tax-free bonds at a time when the Bloomberg administration is waging an ambitious push to create 92,000 new units of affordable housing by 2013.

Last year, the agency had more than \$700 million in tax-exempt bonds, a spokesman for the Housing Development Corporation, Aaron Donovan said, which are also issued by state agencies facing similar shortages. Both the real estate industry and housing advocacy groups have raised concerns with the gap between the demand and availability of the bonds.