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February 27, 2024

Re: Testimony Before the Joint Legislative Budget Hearing – Housing

Dear Chairs Kavanagh and Rosenthal,

On behalf of the New York Building Congress, thank you for allowing us to submit testimony to the Senate and Assembly Committees on Housing regarding the Legislature's efforts to create a comprehensive plan to address our state's current housing and affordability crises.

The New York Building Congress represents over 500 constituent organizations comprising over 250,000 skilled tradespeople and professionals dedicated to the growth and prosperity of New York City and State. With the lack of affordable housing stock one of the biggest obstacles to these goals, it is crucial for the legislature to implore innovative actions to meet this challenge head on.

We are at a critical juncture in addressing the housing needs of New Yorkers. With the expiration of the 421-a program in 2022, we saw a dramatic drop in the construction of new residential housing. In New York City alone our annual projections for new units dropped from 30,000 to just over 11,000. This is why we strongly supported the 485-x program introduced in the FY 2025 budget to stimulate residential development. While this program is a commendable step forward, it requires enhancements to truly meet the explosive demand for housing. We urge the Legislature to not only monitor but actively refine 485-x, ensuring that it can effectively address the current housing crisis. Specifically, we recommend clarifying, modifying, and expanding designated zones for large projects, adjusting Area Median Income (AMI) levels, and extending the duration of tax credits to provide developers with the financial assurances needed to undertake large-scale projects.

Incentives are essential but cannot be our only tool to increase production. Programs introduced in the Governor's proposed FY26 budget, such as streamlining environmental reviews and infrastructure funding for new housing projects, will further help.

To further support housing development, we propose the following actions:

- **Streamlining Environmental Assessments:** Streamlining environmental assessments for new housing and housing-related infrastructure would expedite development and avoid unnecessary delays in the production of low-income housing. In the Governor's proposed budget, she includes a provision to streamline these reviews for multi-family housing under 10,000 square feet and enable faster approvals.

- **Infrastructure Funding for New Projects:** In the final version of City of Yes, the State and City committed to investing \$5 billion in critical infrastructure upgrades for an increase in residents. These include improvements to existing drainage and sewage systems, streets and sidewalks, and flood mitigation efforts. The Governor furthered this by proposing a pro-housing supply infrastructure fund, which will launch a \$100 million fund for Pro-Housing Communities to upgrade essential infrastructure. These investments not only help prepare neighborhoods to meet the needs of an increased population but create good paying job opportunities for engineers and construction workers.
- **Zoning for Affordable Housing:** Enabling as-of-right construction in districts where less than 10% of housing is available at below-market rents will help produce units in the communities that need them the most. Many municipalities' land use regulations, remnants of a history of economic and racial segregation, significantly hinder the development of new, affordable housing across diverse neighborhoods. This zoning initiative is vital to dismantling those outdated barriers and increasing housing choice and access to opportunities for low-income families.
- **Housing & Workforce Development:** Far too often, large housing developments fail to create both long term job opportunities and affordable units for community members. This is where workforce development programs come in. The Jobs & Housing Act (S2523/A3996) introduced by Senator Jessica Ramos and Assembly Member Harry Bronson would address New York's concurrent employment and housing crises by fostering job creation in the construction sector and expanding affordable housing. This legislation would introduce funding for new and rehabilitated housing projects, prioritizing union participation and supporting minority and women-owned enterprises to ensure housing affordability and enhance economic opportunities across the state.

We have the opportunity in the FY 2026 budget to improve the lives of all New Yorkers, and we owe it to our great State to meet this crucial moment. Thank you again for the opportunity to testify on behalf of our members, and we appreciate you considering our recommendations.