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Written testimony for the 2023 joint legislative budget hearing on housing.

The New York Building Congress consists of more than 500 constituent organizations and 250,000 skilled tradespeople and professionals, including architects, engineers, contractors, and labor. We thank Fiscal Committee Chairs Senator Liz Krueger, Assemblymember Helene Weinstein for the opportunity to testify today and Housing Committee Chairs Senator Brian Kavanaugh and Assemblymember Steven Cymbrowitz for their continued work on these issues.

As one of the leading construction advocacy organizations, the New York Building Congress wholeheartedly supports the Governor's proposal to establish new home targets in cities, towns and villages across the state as laid out in the New York Housing Compact. We testify in support of multiple housing-related proposals included in the Governor's Fiscal Year 2023-2024 Executive Budget, as these proposals are necessary to reach the Governor's target of 800,000 housing units over the next decade. We strongly encourage you to consider the following proposals as you negotiate and authorize the final State Budget.

- **Extending the project completion deadline for vested projects in the 421-a program (ELFA Part R)** Due to workforce shortages, increasing challenges with debt markets and infeasible timeframes for large construction projects, the June 2026 deadline for vested projects in the current 421-a program is becoming increasingly challenging to meet. The danger of not meeting the deadline is putting 33,000+ units and over 50,000 jobs in jeopardy, 82 percent of which are in outer boroughs. We are fully in support of the reauthorization of the 421-a tax incentive but believe the extension of the completion deadline is a more immediate, non-controversial fix to a fast-approaching issue.
- **Encouraging transit-oriented development (ELFA Part G).** ELFA Part G would not only increase New York's housing stock, but it would encourage the use of public transit, which would help reduce green-house gas emissions, promote local economic development, and increase social and economic mobility for New York's population across the state. Research suggests that minimum densities required within a half-mile of a station to make commuter rail cost-effective are anywhere from 16 du/ac (dwelling units per acre) to 45 du/ac. The average density surrounding LIRR and Metro-North stations outside of NYC is 3.6 du/ac. For subway stations to be cost-effective, they typically target 50 du/ac, a mark that at least a third of stations don't currently reach. The mandatory minimums set in the Governor's executive budget are a fair first step in promoting transit-oriented development, while also leaving discretion to localities on how to rezone to meet these goals. Lastly, we support relief from the environmental review process included in ELFA Part G and ELFA Part F, the proposal to establish local growth targets and fast track approvals.
- **Creating incentives to convert commercial property to affordable housing (ELFA Part J).** The last time New York State incentivized office space conversion to housing, it resulted in just under 13,000 units being constructed, or 40 percent of the growth in housing in lower Manhattan. New York's commercial market has been left at an uncertain time post-pandemic. Allowing flexibility in conversions would combat New York City's housing crisis and increase the supply of affordable homes. Previously, the Multiple Dwellings Law (MDL) referenced arbitrary dates which led to further restrictions when converting commercial and other buildings to residential use. Amending the MDL to allow commercial building prior to 1990 be converted to residential uses opens up more opportunity and is more inline with the city's current supply.

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- **Overriding the Floor Area Ratio (FAR) Requirement (ELFA Part L).** The current FAR requirement of 12 for residential buildings was established in 1929, over 90 years ago, and has restricted new housing construction ever since. Allowing the City of New York and the Urban Development Corporation to override this would be a step in the right direction to combat archaic zoning laws that have historically stunted new and sustainable development. This would also ease office conversions of buildings that currently exceed the FAR cap that want to convert all their space to residential.