



Thank you Chair Rosenthal and Chair Kavanagh for holding this hearing. I am Adam Roberts, Policy Director for the Community Housing Improvement Program (CHIP). We represent New York's housing providers, including apartment building owners and managers.

We are testifying in support of Governor Hochul's budget proposal to build new housing throughout our state. However, it is also critical that legislative action be taken to preserve and restore existing affordable housing, particularly the nearly one million rent-regulated units built before 1974. This stock of rent-stabilized and rent-regulated housing represents nearly half of all rental units in New York City, significantly more than any other type of affordable housing. These are also the oldest apartments in the housing stock. New York is not only failing to build enough new housing, it is losing a significant portion of its existing housing.

Those hurt by this are the most vulnerable. Currently, tens of thousands of individuals with vouchers cannot find housing. This is not due to discrimination, but because of the lack of housing available. Efforts to expand voucher eligibility will not secure housing for voucher holders unless there are apartments to rent. Currently NYC has nearly 10,000 vouchers that cannot find an apartment. But the lack of housing supply for low- and middle-income households will persist if rent-stabilized units cannot be upgraded and re-rented after long-term tenancies.

Costs have escalated dramatically for upgrading existing affordable housing. For a lead abatement alone, which is required for NYC apartments when they become vacant, quotes from unionized contractors averaged \$27,748.50 for a one-bedroom unit and \$39,496.83 for a two-bedroom unit. Adding other required specialized environmental reviews, such as for asbestos and mold, and then the actual work of electrical rewiring, plumbing, subfloor replacement, and kitchen and bathroom replacements, the costs quickly add up and can be well over \$100,000 for just a one-bedroom apartment.

Since the cost of renovating a long-occupied rent-stabilized unit is prohibitive at its existing rent level, tens of thousands are being left vacant when long-term tenants leave. A recent survey of rent-stabilized owners, with a sample size of 51,825 units, found that roughly 2.65% of rent-stabilized apartments remain vacant following long-term tenancies. The rents on these units range from \$760 to \$1,476. The renovation cost is significant and the inability to recoup those costs means it is impossible to access capital for the project.

Fortunately, Senator Comrie and Assembly Member Burgos have introduced the Local Regulated Housing Restoration Adjustment (A6772A/S6352C) to address this problem. The bill would allow vacant units to be renovated while also ensuring they remain accessible to voucher holders. By tying rents to voucher payment standards, the bill ensures rents are capped at affordable levels. Nor would the bill raise rents on any existing tenants, or cost additional taxpayer dollars.

Upon its passage, the bill would create between 19,620 and 22,236 permanently affordable apartments in a matter of months, according to our recent survey. That would equate to thousands of jobs for construction trades. This would all be accomplished without constructing a single new building and at no cost to taxpayers. We ask the Legislature to include this common-sense bill in its one-house budget resolutions. Thank you.