



TESTIMONY ON BEHALF OF THE NEW YORK ELECTRICAL  
CONTRACTORS ASSOCIATION  
TO THE JOINT ASSEMBLY AND SENATE HOUSING BUDGET HEARING  
SUPPORTING REPLACEMENT OF EXPIRED 421-a HOUSING PROGRAM  
FEBRUARY 14, 2024  
12:00 PM

Distinguished members of the Joint Senate Housing Budget Committee, thank you for the opportunity to submit testimony on the Governor's proposed FY 25 Housing budget. The New York Electrical Contractors Association (NYECA), is the leading association of union electrical contractors in New York City and Westchester. On behalf of NYECA, and we write in general support of ELFA Part U, which will create a new tax abatement program for rental housing construction to replace the prior §421-a program, now referred to as “§485-x.”

We recognize that New York City faces an affordable housing crisis, as the cost of land and construction continue to rise. The §421-a tax abatement was created in 1971, to address similar conditions and provide an economic incentive for the development of new affordable housing. By making it feasible to construct such housing, §421-a has historically been the most effective tax benefit program to address the City’s housing supply deficit on a macro scale.

Unfortunately, given the expiration of the program, the pipeline for new multi-family construction has been drastically reduced, compounding the housing crisis. The Electrical

Industry in New York City has a proven track record of commitment, not only by helping to build these affordable housing units, but also by investing heavily in such projects. Look no further than Electchester Housing Complex in Queens, established in 1949 by Harry Van Arsdale Jr. of Local Union #3, IBEW, which covers 103 acres and provides homes for 5,550 people in 2,500 units across 38 buildings. Local Union #3, IBEW assumed most of the mortgage, NYECA employers built it using union labor, and New York State offered tax abatements predating the §421-a program. The project was a major success and is still providing affordable housing to New York City residents to this day.

Local Union #3, IBEW members have also invested their own pension funds in the construction of affordable housing units not only locally but also across the country through the AFL-CIO Housing Investment Trust. As you move forward with a renewal of the Real Property Tax Law §421-a, or any equivalent compromise measure such as §485-x, we encourage all developers who take advantage of the tax abatement to consider using the AFL-CIO Housing Investment Trust as an option for financing these projects. The 35 years plus history of competitive returns for pension funds and labor organizations while generating vital union construction jobs and supporting housing has been a successful combination in many cities and states across the country. In addition to producing an affordable place to live, this effort provides union jobs which are the ticket to the middle class.

NYECA is the leading trade association of electrical contractors in New York City and Westchester. We help build New York City, serve our communities in times of crisis, provide opportunities for minority and women-owned businesses, and promote the highest standards of worker safety in the industry. The Joint Industry Board is a joint labor-management cooperative organization between Local Union #3, IBEW and NYECA to promote harmony between

employers and employees, administer employee benefits and improve the electrical construction industry through progressive management, education, training, and technology. Together with Local Union #3, IBEW and the Joint Industry Board, NYECA helps build New York City and represents 246 employers with over 10,000 construction workers. NYECA, the Joint Industry Board and Local Union #3, IBEW implore you to continue to incentivize the construction of affordable housing in New York. We stand ready to join in the mission to build New York State and New York City out of the affordable housing crisis we are in.

Based on the above reasons, NYECA supports ELFA Part U. If you have any questions or need additional information, you may contact Peter Rescigno, Executive Secretary, at [rescigno@nyeca.org](mailto:rescigno@nyeca.org), (914) 497-4896 (m). Thank you for the opportunity to submit testimony for the New York Electrical Contractors Association (NYECA).