



New York State 2026 Joint Legislative Budget Hearing on Housing

Housing | February 25, 2026

*Testimony submitted on behalf of The Community Preservation Corporation,
to be delivered by Erin Burns-Maine, Senior Vice President for External Affairs*

Thank you, Housing Committee Chairs Rosenthal and Kavanagh, Senate Finance Committee Chair Krueger, Assembly Ways and Means Committee Chair Pretlow, and other distinguished members of the New York State Legislature for the opportunity to speak today.

My name is Erin Burns-Maine, and I am the Senior Vice President for External Affairs at the Community Preservation Corporation (CPC), a nonprofit affordable housing and community revitalization company that was formed in the early 1970s to help New York City and State restore and rebuild communities which were devastated by disinvestment. Today, CPC uses its more than fifty years of expertise in housing finance and public policy to expand access to quality housing, drive down the costs of affordable housing production, advance diversity and equity within the affordable housing development industry, and finance the construction of energy efficient housing. Since our founding, CPC has invested over \$16 billion to finance the creation and preservation of more than 276,000 units of affordable and workforce housing through our lending and investing platforms. CPC serves as a permanent lending partner to the New York City Retirement Systems and the New York State Common Retirement Fund, and we are also the servicer of a portion of the rent stabilized multifamily loan portfolio formerly held by Signature Bank, which includes just under 35,000 units of housing across New York City, where



we are working diligently to preserve the physical quality and financial stability of that critical portion of the housing stock.

CPC's broader partnership with New York State reflects a shared commitment to accelerating the production and preservation of affordable residential housing. CPC is proud to partner with HCR to administer several impactful programs to build and modernize multifamily housing statewide. CPC is administering the Climate Friendly Homes Fund (CFHF) program, a multi-million program to electrify existing housing across the state. So far, CFHF funds have electrified over 1,500 units of housing across New York State, with a strong pipeline of eligible projects proceeding through approvals. Additionally, we are excited to help launch HCR's first-of-its-kind Housing Acceleration Fund (HAF) to speed development of new mixed-income multifamily housing statewide. Launched in 2025 thanks to the state's investment of \$100 million, the HAF will leverage public and private capital to move developments more efficiently to construction and completion. CPC also partners with HCR and private lenders to implement the Small Building Preservation Loan Program (PLP), which delivers gap financing, favorable terms, and technical assistance to small building owners outside New York City.

On behalf of CPC, we would like to express gratitude to Governor Hochul's Administration, Commissioner Visnuskas, the Department of Housing and Community Renewal (HCR), and the Senators and Assemblymembers who continue to advance housing solutions in New York State. In particular, we applaud the administration for the ongoing success of the Governor's five-year \$25 billion affordable housing plan working to deliver 100,000 affordable homes across the state, which to date, has already resulted in the construction or preservation of 77,000 affordable homes across New York State. Additionally, since launching



the Pro-Housing Communities Program, over 400 towns and municipalities have been certified statewide, demonstrating strong interest and political will to advance pro-housing policies and development practices. These efforts, combined with other recently passed incentives like the extension of 421-a and authorization of 485-x, are already working to unleash development across the state and demonstrate that there is a coalition of the willing hard at work to increase housing supply across New York.

This year's 'Let Them Build' agenda, a \$250 million capital funding proposal to accelerate the construction of thousands of new affordable homes and implement landmark reforms to modernize the State Environmental Quality Review Act (SEQRA) will build on these recent successes. These reforms will expedite critical housing and infrastructure projects that have consistently been found to have minimal environmental impacts but have been caught up in red tape and subject to lengthy delays. We strongly support the Governor's proposal to modernize SEQRA to make it easier to build much needed housing while maintaining strong environmental standards that protect open space and bolster resilience to a changing climate.

While we are making strides in new construction, we cannot lose sight of preserving the existing affordable housing stock. From CPC's work managing a large mortgage portfolio of affordable housing, including a portfolio of loans on behalf of the New York City Retirement System and now also a portion of the rent stabilized multifamily portfolio formerly held by Signature Bank, we are seeing particularly alarming trends within the financial health of the rent stabilized housing stock leading to deferred maintenance and housing quality issues. These impacts are being felt by New Yorkers in real time. As we have done in years past, we feel



compelled to continue raising the alarm on behalf of existing rent stabilized buildings in need of urgent preservation.

As many members of this body know, the 2019 Housing Stability and Tenant Protection Act (HSTPA) changed the fundamental dynamics of rent stabilized housing across New York State by delivering new protections to rent stabilized tenants and closing loopholes that previously allowed units to exit stabilization too easily, at times incentivizing owners to turn out tenants so they could raise rent upon turnover. While applaudable in its aims, HSTPA severely altered the financials of rent stabilized buildings and left many owners without avenues to raise the revenue needed to adequately service and maintain their properties. Since 2019, we have also seen seismic shifts in local and national economics as reflected in rising interest rates, rising expenses, and falling rental collections. Many owners who had financed their buildings using pre-2019 industry standards now find themselves with buildings that no longer generate sufficient cashflow to service their debt, let alone make routine repairs and upgrades.

Today, rent stabilized and affordable buildings in New York City and across the state are in a tenuous position. Between 2020 and 2024, CPC's saw per unit operating expenses increase by 22% across our rent stabilized NYC portfolio and 21% across our New York State, non-NYC rent stabilized portfolio. With allowable rent growth tightly constrained by regulatory agreements, affordable properties face a fundamental mismatch: when expenses grow faster than regulated revenues, owners generally prioritize fixed costs such as debt service payments. Our data indicates repairs and maintenance are often the first to go - as the only expense line to experience flat or negative growth in the past three years. While seemingly controllable in the



short term, deferred maintenance is an early warning sign of growing financial strain and ultimately leads to lower housing quality for the very tenants these regulations aim to protect.

We are learning even more about these impacts as we see them play out across the former Signature Bank portfolio that CPC is servicing. Comprised of just under 35,000 units – 80% of which are rent stabilized - across about 1,100 buildings spread all over New York City, the CSP portfolio represents a cross-section of New York City’s rent stabilized stock. In just over two years of servicing and asset managing this portfolio, we have found that about 70% of loans are experiencing financial distress, and 33% of loans have buildings with one or more indicators of physical distress, and often the two go together. While this portfolio is somewhat unique given the lending practices of Signature Bank before its collapse, we are concerned the realities of this portfolio could be a harbinger of what is to come for other rent stabilized buildings. When building cashflow is constrained to the point of financial infeasibility, building conditions and housing quality suffer, and it is ultimately the tenants who bear the impact.

To stave off the worst of housing preservation crisis, we need to come together on policy solutions that provide operating relief for rent stabilized and regulated buildings in the service of shoring up financial feasibility, physical health, and housing quality. The reform and reauthorization of J-51 as included in the Governor’s budget is one piece of the puzzle. For deeply affordable and rent-stabilized buildings, J-51 has long been a powerful and impactful tax incentive program that enables owners to undertake necessary capital work that could otherwise be financially unfeasible given revenue constraints. While its utility decreased across the most recent program iterations due largely to out-of-step cost schedules, a new and improved J-51 remains a powerful tool for preservation that is needed now more than ever. The Governor’s



proposal to reauthorize and reform J-51 proposes to increase the tax abatement for eligible rental and owner-occupied buildings in New York City from 70% to 100% of the certified reasonable costs for eligible preservation work and would be authorized for ten years, through 2036, instead of previous programs' four-year authorization periods. Given this longer authorization period, the proposal also includes a requirement to update the certified reasonable cost schedule every three years to ensure that approved costs are in line with market conditions. We strongly support these reforms and encourage the Legislature to pass this reauthorization of a stronger, more usable, and more impactful J-51 preservation program.

The reauthorized J-51 is only one of a suite of tools needed to help preserve the financial and physical health of New York City's affordable housing. In short order, we must advance tools to lower building operating expenses, especially for the biggest cost drivers such as insurance, property taxes, and utilities, as part of a larger solution for preserving regulated affordable housing.

- **Insurance:** across CPC's portfolio, we have seen per unit insurance premiums increase 50% over pre-pandemic levels – and we know that this number is even higher for some supportive and deeply affordable housing providers. The budget includes new requirements for insurers to offer discounted rates to homeowners and property owners who make improvements that enhance property safety and security, creating a direct incentive for risk reduction and aligning the interests of property owners and insurers. The budget also proposes requiring residential property insurers to report annually on collected premiums and claims paid. We support these steps, which will help government and the



housing industry better dimension the problem, and we encourage continued collaboration on innovative solutions to slow and ultimately stop runaway insurance costs.

- **Property taxes:** In a landscape of rising expenses, taxes are one of the few major cost drivers where government intervention can meaningfully influence long-term building stability. The Legislature should support targeted property tax relief for buildings with the deepest levels of stabilization and the most severe levels of financial and physical distress. A long-term, 100% property tax exemption could effectively slow financial decline and free up vital capital to support much needed building improvements. We welcome all opportunities to use our data to inform such interventions.
- **Utilities:** Key to a financially healthy building is the ability to accurately predict expenses, which has become increasingly difficult to do as water, sewer, and utility prices continue to rise erratically. We encourage the Legislature to explore partnerships with public agencies and private service providers to establish reasonable and reliable cost increase schedules that allow buildings to plan accordingly. When needed, government should step in to offer relief for the most severely distressed buildings – no building, nor their tenants, should face the threat of utility shutoffs due to constrained operating expenses.

In addition to exploring avenues for expense-side relief, we encourage the Legislature to also support increasing tenants' ability to pay rent through rental assistance vouchers. In last year's budget, we were very happy to see funding for a pilot of the Housing Assistance Voucher Program, and we thank Senator Kavanagh for his tireless advocacy for this program. Given recent threats to the Federal Section 8 program, we encourage the State to work alongside City and Federal partners to shore up as much financial support for housing vouchers as possible



across the various voucher programs while also ensuring that voucher administration is as efficient and effective as possible.

CPC also supports The New York Housing Conference's request for \$17 million for an Affordable Housing Stability Court Initiative to prevent evictions, expedite arrear resolutions, and protect the financial health of affordable housing. This initiative would create a dedicated housing court section in each borough to serve tenants living in regulated affordable housing owned by small landlords and fund specialized nonprofit case management to intervene early, connect tenants to emergency assistance, address benefits issues, and establish realistic repayment plans. With more than 43,000 eviction filings in subsidized housing in 2024, over one-third of all filings citywide, and cases often taking more than a year to resolve, faster intervention is critical to keep tenants housed and ensure building finances stable.

Finally, we support amending the Private Housing Finance Law to allow affordable housing that is subject to a regulatory agreement with a state or city agency, to rent vacant units at the current year's Area Median Income (AMI). This change would strengthen project financial stability without affecting existing tenants and bring online another tool to help ensure long-term preservation of regulated affordable housing.

While no one tool can holistically address these severe levels of distress, these tools combined can provide meaningful building operations relief. The need is urgent – immediate action must be taken to preserve the financial and physical health of New York City's affordable housing. On behalf of CPC, I would like to thank the Legislature for the opportunity to testify today. We look forward to partnering with the State to advance these common-sense housing production and preservation efforts, and I am happy to answer any questions you may have.