AIA New York

American Institute of Architects New York Chapter Testimony for the Joint Legislative Budget Hearing on Housing

February 25, 2026

Thank you, Chair Krueger, Chair Pretlow, and Members of the Joint Legislative Budget Committee, for holding this hearing today. I am Bria Donohue, Director of Government Affairs at the American Institute of Architects New York Chapter (AIANY). AIANY is the leading design non-profit representing 5,000 architects and design professionals committed to positively impacting the physical and social qualities of our state.

AIANY commends the Legislature for their continued commitment and partnership in addressing the ongoing housing crisis. In an environment with high construction costs, stringent codes and regulations, and onerous permitting processes, we need strategic investment and reforms to unlock development opportunities, enabling projects to pencil out. Smart policy, design leadership, and financial tools can help affordable housing projects succeed.

We applaud Governor Hochul for her demonstrated commitment to affordable housing in the Executive Budget for Fiscal Year 2027 with the "Let Them Build" agenda and J-51 tax incentive program reforms. The proposed modernization reforms to SEQRA are aimed at cutting red tape and reducing administrative burdens while making it easier to strengthen environmental initiatives and build critical projects, lowering the cost of housing and utilities.

When SEQRA was established in the 1970s, it was designed to stop a range of environmentally destructive actions, such as new coal-fired power plants and highways built straight through neighborhoods. Today, however, SEQRA limits New York's ability to build green infrastructure projects necessary to meet the State's climate targets, such as solar panels, electric trains, and energy-efficiency housing near transit. The proposed reforms to SEQRA are a critical step to unlocking opportunities to build the green housing and infrastructure our city desperately needs.

As we make the development process less onerous with SEQRA reform, we also need financial tools to support investments in renovations and repairs to preserve affordable housing. The greenest building is the one that is already built and programs like the J-51 tax incentive are crucial for preservation of affordable housing. AIANY is a strong supporter of Governor Hochul's proposed reforms to J-51 in the FY27 Executive Budget Proposal.

Alongside financial tools for affordable housing preservation, AIANY recommends the Legislature take action to promote low-carbon construction and focus policy on adaptive reuse and promoting a circular economy.

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Contributing 17% of global greenhouse gas (GHG) emissions, embodied carbon refers to the GHG emissions generated by the manufacturing, transportation, installation, maintenance, and disposal of construction materials used in buildings, roads, and other infrastructure. Decisions that impact a project's embodied carbon emissions tend to happen very early in the process of project design. Examples include: how much to build and what existing materials to reuse or save. These actions can be more difficult to influence than those that occur later in the design process, so it is imperative that support is available to design professionals to conduct the necessary analysis to investigate embodied carbon reduction opportunities.

Unlike operational emissions, which accrue over decades, embodied carbon is released upfront when buildings are constructed or renovated. Cutting embodied carbon now delivers near-term emission reductions, critical for meeting the 2030 Climate Leadership and Community Protection Act (CLCPA) target. Circular strategies - such as material reuse, recycling, and low-carbon concrete - can reduce embodied carbon by up to 75% globally, while individual practices like recycled concrete can cut emissions by approximately 40% per project. Additionally, low carbon construction generates new, well-paying jobs, especially in energy efficiency and green building trades.

To entice a market to utilize low-carbon construction materials and support local material manufacturers, incentives are needed to develop environmental product declarations (EPDs), keep material costs affordable, provide technical support, and enable market innovation. Financial incentives tied to embodied carbon create a clear market signal that low-carbon materials are cost-competitive and desirable. Many low-carbon material alternatives already have cost profiles comparable to traditional materials. Notably, many reduction strategies have little to no added costs, especially materials like cement representing only about 1.5% of public project budgets for example. For this reason, we ask the Legislature to include financial tools to support low carbon construction in the One House Budget Proposals, as detailed in A6566/S7648 championed by Assemblymember Carroll and Senator Kavanagh. This bill establishes a sales tax exemption for low carbon construction materials and a pilot program to provide grants to low-carbon common construction material manufacturers to develop environmental product declarations (EPDs) - think of EPDs as the nutritional label for construction materials providing information on the environmental impact per unit of a product.

Reducing embodied carbon is not just a climate strategy - it's a cost-effective economic development strategy. Embodied carbon policies not only accelerate progress toward achieving New York's climate goals but also stimulate innovation, build resilient local supply chains, and deliver economic and workforce benefits across the state.

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Other policies centering low-carbon construction, deconstruction, material reuse, and circularly that AIANY is strongly supportive of include:

A8456 (Kelles) / S7998 (Kavanagh): Sets three compliance pathways in Building Code for embodied carbon reduction

Establishes a long-term strategy for reducing embodied carbon in all public and private building projects by setting three compliance pathways for reducing embodied carbon in the Building Code. Creates an industry-wide approach to tackling embodied carbon in new buildings across the public and private sectors alike. Projects can demonstrate embodied carbon reduction via one of three options: (1) reuse; (2) low-carbon materials, or (3) whole building life cycle assessment. The flexibility of the three pathways makes it possible for all projects to comply while gradually creating a guide towards decarbonization using all possible means of reduction - through reuse, building design, construction, and material choice. To affect most projects and shift culture and habit, wide code applicability is needed.

A5404 (Stern) / S1335 (Parker): Expands eligibility criteria for C-PACE to provide financing for low-carbon intensity building components

Commercial Property Assessed Clean Energy (C-PACE) financing provides low-cost, long-term financing for property owners to fund green energy improvements, repaid through property tax bills. A5404/S1335 expands the allowable uses of C-PACE financing to cover low carbon intensity building component improvement, which is defined as any permanently affixed improvement to real property, whether as a component of the new construction of a building or as the renovation or retrofitting of an existing building, to reduce the carbon or other greenhouse gas emissions of those components or the improved property. Including low embodied carbon construction materials in C-PACE would directly help offset the costs of new products that may initially have a 'green premium.'

A8637 (Kelles) /S8168 (Kavanagh): Establishes an opt-in incentive program to implement a deconstruction ordinance

Incentivize localities to implement deconstruction ordinances to promote deconstruction and reuse instead of demolition by providing grant funding and technical support if local ordinance is adopted. The CLCPA Scoping Plan calls for a seismic shift in how the state manages waste, specifically building materials, and promotes more recycling and reuse to extend materials' useful life. Localities are responsible for managing waste and struggle to invest in the infrastructure and systems necessary to support deconstruction and reuse (ie. circular economy). Provide a model deconstruction ordinance template for localities to adopt as well as how the amount of each grant shall be calculated based on the regional capacity to divert materials from landfills and make available for reuse. Grants may be used for costs associated with establishing a deconstructed building materials hub, which is the physical infrastructure needed to enable

circularity. Alongside the deconstruction ordinance, workforce development training and certification for deconstruction contractors will assist with the transition to a circular economy.

A9255 (Barrett) /S8918 (Kavanagh): Establishes incentives for mass timber affordable housing projects

The Facilitating Resilient Affordable Mass Timber Expansion Act, or FRAME Act, establishes a pilot program for mass timber construction for affordable housing and creates tax incentives for adopting mass timber design into affordable housing. Mass timber is a lighter material than steel and concrete - about 40% lighter - make it easier and more realistic for vertical extensions on top of existing buildings. The most sustainable building is the one already built, so housing development focused on vertical extension and adaptive reuse over demolition is the lowest-carbon project. Additionally, mass timber construction is about 25% faster due to prefabrication and digital design. This pilot program is a preservation adaptive reuse strategy, focused on designing quality, low-carbon affordable housing.

Thank you for the opportunity to testify, and we look forward to working closely with the Legislature to unlock tools for high-performance, sustainable, quality affordable housing development. We appreciate your consideration of our recommendations!

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