



STRONGER TOGETHER

**2026 Joint Legislative Budget Hearing on Housing
Testimony from Cypress Hills Local Development Corporation
February 25, 2026**

Good afternoon and thank you Chairs Kavanagh and Rosenthal and members of the committees for the opportunity to testify today as part of this year's housing budget process. My name is Ryan Chavez and I am Director of Small Homes Programs at Cypress Hills Local Development Corporation (CHLDC).

CHLDC respectfully urges the legislature to include Senate bill S2507 and Assembly bill A597, sponsored by Senator Julia Salazar and Assembly Member Jessica Gonzalez-Rojas, in the FY2027 State budget. Including this legislation in the budget is essential to ensuring that New York City's forthcoming basement apartment legalization program can reach the communities it was intended to serve.

CHLDC is a community-based housing organization serving East New York in Brooklyn. Our work includes direct services to low- and moderate-income homeowners, housing preservation, and leadership in the City's original Basement Apartment Conversion Pilot Program. Through this work, we have seen firsthand both the importance of basement apartments as a source of affordable housing and the barriers that have prevented them from being made safe and legal.

Two years ago, Albany took historic action by authorizing the City to establish a pilot program to legalize existing basement and cellar apartments in certain community districts. We are deeply grateful for that leadership. The program recognized a simple but important reality: basement apartments are already home to tens of thousands of New Yorkers and represent one of the most important sources of affordable housing in the city.

However, the program's current geography excludes many of the very neighborhoods with the highest concentration of basement apartments and the greatest need for safety improvements, including Brooklyn Community District 5, where our organization is based. Senate bill S2507 and Assembly bill A597 would address this gap by expanding the pilot program to Brooklyn Community District 5 and Queens Community Districts 1, 3, and 4. These districts contain some of the highest concentrations of unregulated basement homes in New York City and represent exactly the types of communities the State intended to reach when it created the pilot program.

This expansion is especially important given the program's existing timeline. The State legislation requires homeowners to apply by April 2029. Without timely passage of this geographic expansion as part of the State budget, homeowners in these excluded districts will lose valuable time within that limited window. Including this expansion now ensures that the pilot program can operate as intended and reach vulnerable homeowners and tenants before that deadline.

Main Office

625 Jamaica Avenue, Brooklyn, NY 11208

T: 718 277 3600 F: 718 277 4522

cypresshills.org

Basement apartments play a critical role in housing stability for both homeowners and tenants. For many low- and moderate-income homeowners in East New York and similar neighborhoods, rental income from a basement apartment makes the difference between being able to afford their mortgage, property taxes, insurance, and maintenance, and falling into financial distress. This income allows families to remain in their homes, build intergenerational stability, and resist displacement pressures.

At the same time, basement apartments provide some of the most affordable rental housing available in many neighborhoods. Legalization allows these homes to be upgraded with proper fire safety protections, safe exits, and flood resiliency improvements. This is safer for tenants, homeowners, and first responders alike. Without legalization pathways, these homes remain informal and unregulated, leaving both tenants and homeowners without access to the tools needed to improve safety.

The need for these protections has only grown more urgent as climate change increases flood risk. In 2021, 11 New Yorkers lost their lives when basement apartments flooded during Hurricane Ida. One of these deaths occurred in East New York, where basement apartments are widespread. Expanding the pilot program will help ensure that more basement homes can be brought into compliance and made safer, reducing the risk of future tragedies.

Importantly, the communities proposed for expansion have already demonstrated strong interest in legalization. In Brooklyn Community District 5, nearly 900 homeowners expressed interest in participating in the City's earlier pilot program, which CHLDC helped implement. That pilot provided critical lessons that informed the State's current legalization framework. Expanding the geography now would allow these homeowners and tenants to finally benefit from the program their experiences helped make possible.

Including Senate bill S2507 and Assembly bill A597 in the State budget is a necessary and logical next step to ensure that the State's prior leadership achieves its intended goals. Without this expansion, the pilot program will fall short of reaching many of the homeowners and tenants it was designed to help, including those in our community.

We respectfully urge the legislature to include this expansion in the final State budget so that the basement apartment pilot program can fully serve New Yorkers in the communities where it is most needed.

Thank you for your leadership and your continued commitment to housing safety and affordability.

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