

New York State 2021 Budget and Legislative Priorities

New York State has been in the midst of a housing crisis for many years, due to millions of New Yorkers being compelled to pay 30 to 50 percent of their incomes, *and more*, for housing. The Cuomo Administration and the New York State Legislature have recognized that this dramatic situation is unsustainable and have implemented policies and provided critical funding to remedy this injustice, which has resulted in the development and preservation of thousands of additional units of affordable housing today. However, the COVID-19 pandemic has made our path more perilous and challenging, and our ability to recover from the pandemic and its severe economic impacts will only be possible if we are able to provide safe, quality housing to everyone in need.

The New York State Association For Affordable Housing (NYSFAH) is committed to working with our government partners in furtherance of this mission, and we urge you to support the following 2021 Budget and Legislative Priorities.

BUDGET PRIORITIES

- **New 5-Year Housing Plan.**
 - NYSFAH *strongly supports* the State appropriating funds toward a *new* 5-year housing plan, to expand upon the expiring \$2.5 billion 5-Year Housing Plan, which is essential to fund key housing programs. The Executive Budget does not include any funds toward a new housing plan.
 - Enact a statutory 5-year housing capital plan, as proposed in S.2193 (Kavanagh)/A.3807 (Cymbrowitz) and similar to the statutory MTA capital plan, to ensure there is a transparent and predictable plan to address New York's housing needs.
 - *Predictability = More Housing:* A multiyear funding commitment by the State is necessary to continue the pipeline of affordable housing projects, which often take two to three years or more of planning and approvals. An ongoing, multi-year housing plan will result in more projects in the planning and development stages and therefore more units constructed every year.
- **Supportive Housing.** NYSFAH *supports* the Executive Budget proposal to provide a new \$250 million investment for the Empire State Supportive Housing Initiative (ESSHI), whose previously appropriated five years' worth of funding has been fully allocated.
- **Sustainable Affordable Housing Funding.** NYSFAH *strongly supports* adding \$50 million to the 2021-22 budget to fund a new program, as proposed in A.3798 (Cymbrowitz)/S.2732 (Kavanagh), to incentivize greater energy efficiency and green construction in affordable housing projects.
 - *Battle Climate Change:* This funding will complement the goals of the Climate Leadership and Community Protection Act (CLCPA). It will help the State achieve its economy-wide reductions in greenhouse gases by 2040; and, help the State satisfy the requirement that it provide at least 35-40 percent of CLCPA funds and incentives to historically disadvantaged communities.
 - *Tenant Savings:* This funding will promote increased energy efficiency in housing units and greater savings for tenants.

- **Extension and Enhancement of State Low-Income Housing Credits (SLIHC).**
 - NYSAFAH *strongly supports* the Executive Budget proposal to increase the aggregate amount of SLIHC allocated by the Commissioner of Housing and Community Renewal.
 - NYSAFAH *requests* the proposed allocation be increased by \$15 million annually for each year of the five-year period in order to address demand, and to increase the maximum per project eligibility for SLIHC from \$750,000 to \$1 million and increase SLIHC per unit cap of \$20,000 to \$22,000 to match the current LIHC cap.

- **Extension of Brownfield Credits.** NYSAFAH *supports* the extension of the allowable period for which the tangible property credit of the brownfield tax credit would be allowed.
 - Brownfield tax credits have been integral in the development of affordable housing - especially in urban areas where land is otherwise scarce and expensive, and the ability to redevelop such properties has provided unique opportunities for affordable housing projects that would not exist otherwise.

- **Removing Barriers to Affordable Housing.** NYSAFAH *supports* the Executive Budget proposals which will help improve conditions for affordable housing development:
 - **Rail Advantaged Housing Act:** Provides that the State Department of Environmental Conservation shall establish uniform standards and conditions for rail advantaged housing rezoning proposals, which would encourage the siting of housing or residential buildings within one-half mile of a commuter rail station.

 - **Conversion of Underused NYC Commercial and Hotel Property to Affordable Housing:** Suspends local zoning and other restrictions until December 31, 2026 for the conversion of Class B hotels with fewer than 150 rooms and Class B or C commercial office buildings, in a defined area of Manhattan, to affordable or supportive housing.

LEGISLATIVE PRIORITIES

- **Affordable Housing Insurance Solutions Report.** NYSAFAH *strongly supports* an imminent bill which would require the Department of Financial Services, in coordination with the Division of Housing and Community Renewal, to study the factors and impacts of high insurance premiums and insurance availability upon affordable housing and to prepare and submit a report to the Governor and the Legislature.

- **Scaffold Law.** NYSAFAH *supports* the reforming the Scaffold Law (Labor Law §§ 240 and 241) to apply a standard that considers the respective negligence of the builder, the employee and/or contractor in determining damages and compensation.
 - The Scaffold Law holds owners absolutely liable when a worker is injured in a gravity-related accident, even if the employee or third-party contractor is negligent.
 - This law has contributed to skyrocketing insurance rates and driven most insurance companies from the New York market - adding substantial costs to general liability coverage for affordable housing and other developments.
 - It has increased developer costs and resulted in fewer units of affordable housing.

NYSAFAH is the trade association for New York's affordable housing industry statewide. Its 375 members include for-profit and nonprofit developers, lenders, investors, attorneys, architects and others active in the financing, construction, and operation of affordable housing. Together, NYSAFAH's members are responsible for most of the housing built in New York State with federal, state and local subsidies and incentives.