



## Statement in Regard to the New York State Joint Legislative Budget Hearing on Housing

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**New York, NY – January 31, 2022** - Citizens Budget Commission (CBC) President Andrew S. Rein released this statement on behalf of the CBC:

“We are pleased that the Governor’s Fiscal Year 2023 Executive Budget included several proposals to encourage the production of more housing, which would help affordability and increase housing supply, especially downstate where housing production rates are among the lowest in the country. To help strengthen New York’s largest supply of deeply affordable housing, the State also should take action this session to bolster the New York City Housing Authority’s (NYCHA’s) capacity to improve its capital stock and management.

The Governor’s proposals advance priorities the Citizens Budget Commission identified in Recommendations to Strengthen the State to increase housing production and housing affordability. Requiring local governments to zone for denser transit-oriented development would increase regional housing supply and take advantage of recent investments in commuter rail, and legalizing accessory dwelling units would help meet the diverse housing needs of New Yorkers. Provisions to lift the cap on residential floor area ratios and encourage commercial-to-residential conversions would give New York City more tools and flexibility to stimulate housing production, especially in the Manhattan core. While new to New York, these ideas have already been adopted by other states, many of which have recently passed laws that encourage localities to promote housing development through a combination of incentives and mandates.

Not included in the budget – but also very urgent – is New York City’s plan to stabilize the future of NYCHA, which supplies the city’s most deeply affordable housing. The State should approve the proposed Preservation Trust bill, enact procurement reform, and increase financial support for Rental Assistance Demonstration (RAD) public-private partnerships that bring in capital and often new management. The Preservation Trust would allow NYCHA to partner

with construction management and design firms to bring in new capital resources and oversee renovation of 110,000 public housing units. Procurement reforms would reduce NYCHA's costs by allowing it to use construction manager-build and construction manager-at risk procurement rules. Increasing financial support for NYCHA's RAD conversions by providing tax-exempt bonds and Low-Income Housing Tax Credits through the NY Housing Finance Agency and the New York City Housing Development Corporation would facilitate building and unit quality improvements to the benefit of tenants."

#### Further Reading

<https://cbcny.org/research/recommendations-strengthen-state>

<https://cbcny.org/research/strategies-boost-housing-production-new-york-city-metropolitan-area>