STATE OF YES

Solving the Housing Crisis in New York

Assemblymember Tony Simone

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The Crisis

New York is often described as “a playground for the rich”. Former leaders have called it a "luxury good”. But the real New York has always been a place where families, immigrants, dreamers, workers, artists, native New Yorkers, and anyone in the world could build a better life, side by side. At its best, New York is for everyone. A place where people come to succeed, to be safe from persecution, a place where people can truly be themselves. However, this promise has moved farther and farther out of reach for nearly everyone. Whether you were born here, or came seeking a better life, the price tag is too high. These increases are being driven by one critical factor, the cost of housing. If the state does not build enough housing, that image of New York will quickly cease to exist.

In the 1960s, the West Village was a very different place from the high-end neighborhood we picture today. The neighborhood was heavily blue-collar working-class, and was actually considered affordable. “There were artists, musicians and writers, all poor and struggling rather than the megastar super millionaire ones living there today”.[1] The median renter household in 1960 spent less than a fifth of their income on rent, whereas today the average renter spends more than thirty percent of their salary solely towards rent.[2] [3] Whereas, in July 2026, rents in Manhattan are at an all time high, with average rents for studios at $4,088 (up 8%), one-bedrooms at $5,486 (up 7%), two-bedrooms at $8,054 (up 13%), and three-bedrooms at $12,228 (up 12%), over last year.[4]

Diverse people and backgrounds are what gives a community a soul. Pricing residents out of places like the West Village, once a place where working class New Yorkers could build a life, drains the atmosphere and character that made it thrive. Without new housing, rents only increase, neighborhoods become unaffordable, and lifelong residents are forced to leave the communities they love. Without new housing, New York cannot preserve the idea that New York belongs to everyone. People are being priced out, in 2024 alone 113,718 New Yorkers moved out of NYC and with them that little piece of the city's character that they made up.[5] Without new housing, New

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1 https://www.amny.com/news/remembering-a-time-when-the-village-was-affordable/

2 https://comptroller.nyc.gov/reports/spotlight-new-york-citys-rental-housing-market/#:~:text=The%20overall%20proportion%20of%20New,the%20overall%20average%20rent%20burden.

3 https://www.jchs.harvard.edu/blog/rental-housing-unaffordability-how-did-we-get-here#:~:text=The%20median%20renter%20household%20in,of%20their%20income%20on%20rent.

4 https://inhabit.corcoran.com/nyc-residential-rental-market-report-july-2026/

5 U.S. Census Bureau, Current Population Estimates Release, March 2026.

York cannot preserve the diversity that gives our city a soul.

New York City's housing market is coupled with high demand and limited availability, resulting in low rental vacancy rates. The most recent net rental vacancy rate is 1.41%, the lowest figure recorded since 1968.[6] The low vacancy rates, combined with a significant percentage of overcrowded rental units (9.2%),[7] and 13.1% in rent stabilized units,[8] contribute to the city's ongoing housing challenges as the demand far exceeds the supply the city currently holds. In 2024 alone, 285,304 Americans from different states moved to New York permanently.[9]

Many New Yorkers, with the limited housing supply, can no longer afford to both pay their rent and maintain dignified living standards. Rent has significantly increased, resulting in another financial burden for New Yorkers to contend with. The data is clear. In 2024, 51.6% of NYC renters were considered "rent burdened" (30% or more of household income is spent on rent), while 28.8% of renters were spending 50% or more of their income on rent. [10]

Artificially stifled growth also hurts New York workers. Members of New York's well experienced labor unions are missing out on potential projects all across the state, while at the same time struggling to afford to live here. Both problems have the same root cause.

In 2024, New York City's homeless population reached record levels, with over 350,000 people experiencing homelessness. This includes individuals in shelters, living unsheltered, and temporarily staying with others.[11] The city's homelessness rate is about 8 per 1,000 people, which is higher than most states. The **number of homeless students in NYC also hit a record high, with nearly 146,000 children experiencing homelessness during the 2023-24 school year.**[12]

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[6] https://www.nyc.gov/mayors-office/news/2026/01/executive-order-04#:~:text=LEVERAGING%20CITY%2DOWNED%20LAND%20TO,support%20additional%20housing%20production;%20and

[7] https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2025/05/2025-HSR.pdf

[8] https://www.realtor.com/research/nyc-q4-2025/#:~:text=As%20residential%20mobility%20breaks%20down,half%20that%20rate%20(6.7%25).

[9] https://www.rochesterfirst.com/new-york-state/the-states-people-have-moved-to-and-left-the-most-census-data/

[10] https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2026/04/2026-IA.pdf

[11] https://www.osc.ny.gov/press/releases/2025/01/dinapoli-numbers-homeless-population-doubled-new-york

[12] https://advocatesforchildren.org/policy-resource/student-homelessness-data-2024/

Putting Tenants First

Solving the housing crisis means bringing rents down, increasing the supply of housing, and improving tenant protections. These issues all go hand in hand. Increasing supply and bringing down rents gives tenants the option to move into new housing, which forces their landlord to work to keep them, while also creating competition amongst landlords to improve the livability of their housing stock. However, this work will take years to make up for decades of underbuilding. In the meantime, we must expand tenant protections to stabilize housing for current tenants.

It can be extremely difficult for tenants to deal with their landlords. Getting repairs can feel impossible, and tenants often have to rely on municipal housing agencies for repairs to happen. **Just last year, the NYC Department of Housing Preservation and Development logged 812,238 housing maintenance problems, a 15% increase over the previous year, and issued 895,457 violations, a 24% increase over the previous year. Of those violations, 287,881 were issued for immediately hazardous problems (Class C).**[13] For many landlords, it is more profitable to neglect their properties. Some landlords are engaged in efforts to force their tenants out, and may attempt to do so by neglecting their properties, harassing their tenants, overcharging their rent, or lying to them about stabilization status during the lease renewal process. They might also go the legal route of jacking up their tenants' rent to the maximum amount to force them out.

State Level Reforms

Combating Rent Decontrol, A659/S9650 (Rosenthal/Krueger) *"An act to amend the real property tax law, in relation to prohibiting landlords from including incorrect information relating to rent decontrol in certain leases and renewals thereof and requires the standardization of certain notices pertaining to units subject to the Affordable New York Housing Program"*

A659/S9650 strengthens tenant protections by prohibiting landlords who receive 421-a (Affordable New York Housing Program) tax benefits from including false or misleading information about rent decontrol in leases or renewals. It establishes a $1,000 fine for violations and directs the state housing agency to create a standardized "421-a Standard Rider Fact Sheet" to ensure tenants receive accurate, uniform

[13] https://www.nyc.gov/assets/operations/downloads/pdf/mmr2024/hpd.pdf

information about their rent-stabilized status, the duration of their building's tax benefits, and their rights under New York's rent regulation laws.

Hazard Free Homes Act, A6735 (Simone)

The *Hazard Free Homes Act* would allow tenants in cities subject to the multiple dwelling law to repair hazardous housing code violations when a landlord fails to act and to deduct the cost of those repairs from their rent. After providing written notice and certification of the hazardous condition by the local housing enforcement agency, tenants may immediately address hazardous violations if no action is taken within seven days, or other hazardous violations within thirty days. The bill sets limits on allowable deductions, requires licensed contractors when necessary, and protects tenants acting in good faith from retaliation. It establishes a fair process that empowers tenants to maintain safe living conditions when landlords neglect their obligations.

LLC Transparency, A1506/S119 (Rosenthal/Cleare) *"An act to amend the emergency tenant protection act of nineteen seventy-four and the administrative code of the city of New York, in relation to rent registration statements filed by a limited liability company"*

A1506/S119 increases transparency and accountability in rent regulation by requiring limited liability companies (LLCs) that file rent registration statements to disclose the names of all their beneficial owners and each person's ownership interest. Many rent-stabilized buildings are registered under LLCs, obscuring the true identity of landlords and complicating enforcement of housing laws. By mandating full ownership disclosure in filings with the Division of Homes and Community Renewal, this legislation helps identify the real individuals behind properties, deters warehousing of vacant rent-stabilized units, and strengthens oversight of the state's affordable housing stock.

LLC Transparency, A8662 (Gallagher) *"An act to amend the limited liability company law, in relation to the scope of certain provisions relating to beneficial owners of limited liability companies"*

A8662/S8432 strengthens New York's Limited Liability Company Transparency Act by clarifying who must disclose ownership information and ensuring the law remains effective regardless of changes in federal regulations. It updates the definitions of "beneficial owner," "reporting company," and "exempt company" in the Limited Liability Company Law to align with federal standards while codifying them directly into state law. The bill also authorizes the Department of State to issue regulations to further interpret and apply these definitions. These technical updates preserve the state's ability to identify the real individuals behind LLCs and prevent the use of anonymous shell companies for money laundering, tax evasion, and other illicit activities.

Unlawful Rent Overcharges, [A654](#)/[S9694](#) (Rosenthal/Cleare) *"An act to amend the emergency tenant protection act of nineteen seventy-four, and the administrative code of the city of New York, in relation to increasing penalties for owners of rent-regulated property who overcharge tenants"*

A654/S467 increases penalties for property owners who overcharge tenants in rent-regulated housing. It raises the penalty from three times the amount of the overcharge to five times for a first offense and ten times for any subsequent overcharges, while maintaining existing provisions allowing landlords to demonstrate that an overcharge was not willful or negligent. By significantly strengthening the financial consequences for illegal rent overcharges, the bill deters landlords from violating rent regulation laws and helps protect tenants from exploitation in rent-stabilized and rent-controlled housing across New York.

Accessible Housing Fairness Act, [A6261](#)/[S7571](#) (Simone/Cleare) *"An act to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to prohibiting the adjustment of maximum allowable rent where any modification, increase or improvement is made to accommodate the needs of a disabled tenant"*

The *Accessible Housing Fairness Act* ensures that tenants with disabilities are not penalized with rent increases when accessibility modifications are made to their apartments. It prohibits landlords from raising rents through Individual Apartment Improvement (IAI) or Major Capital Improvement (MCI) mechanisms when those improvements are necessary to accommodate a disabled tenant's needs. The protection applies to rent-regulated housing in all cities subject to the Multiple Dwelling Law, as well as rent-controlled units statewide. By closing this loophole, the legislation guarantees that making a home accessible, such as by adding grab bars, ramps, or accessible fixtures, remains a matter of basic fairness and inclusion, not a financial burden on tenants with disabilities.

Tenants' Rights Transparency, [A4960](#)/[S3568](#) (Bichotte Hermelyn/Cleare) *"An act to amend the real property law, the multiple dwelling law, the multiple residence law, the real property actions and proceedings law and the general obligations law, in relation to requiring all residential leases to disclose tenants' rights"*

A4960/S3568 strengthens tenant protections by requiring all New York residential leases to clearly outline tenants' rights and landlords' obligations. Leases must include clauses on habitability, penalties for willful lease violations, tenant association rights, protection from eviction for good-faith complaints, trial by jury for certain disputes, utility offsets, subletting, security deposits, and landlord liability for injuries. Landlords must maintain safe, clean, and properly heated spaces, and tenants may pay for essential utilities like heating oil and deduct the cost from rent if landlords fail to provide them. Written notice of these rights must be given to all tenants, and violations may result in fines. The law aims to improve transparency, reduce conflicts, and promote fair rental practices, taking effect the January after passage.

Tenant Opportunity to Purchase Act, [A6100](A6100)/[S10169](S10169) (Mitaynes/Salazar)

The *Tenant Opportunity to Purchase Act* (TOPA), empowers tenants to buy or remain in their rental units, helping prevent displacement and preserve affordable housing. The bill applies to all rental properties with three or more units and establishes a right of first refusal for tenants, outlines exemptions, and sets criteria for qualified purchasers and supportive partners. Tenants and tenant organizations may assign rights to qualified purchasers, and owners must comply with DHCR regulations on notices and sales. The law requires good-faith bargaining, prohibits evictions by TOPA buyers, and ensures permanently affordable housing for units purchased under the act. DHCR oversees enforcement, maintains lists of qualified purchasers, and reports annually to the legislature. By giving tenants a path to ownership, the bill stabilizes housing costs and ensures fair compensation to sellers.

Payment Discrimination, A4120/S1130 (Solages/May) *"An act to amend the executive law, in relation to protections for renters using certain housing subsidies or public assistance"*

A4120/S1130 strengthens protections for renters using housing subsidies, vouchers, or public assistance by amending section 296 of the Executive Law to prohibit housing providers from imposing minimum income requirements or discriminating based on an individual's lawful source of income, including vouchers under Section 8 of the U.S. Housing Act or other public or non-profit rental assistance, while allowing income verification for any tenant-paid portion of rent, ensuring that subsidy recipients are not unfairly denied housing opportunities, and taking effect immediately.

Artist Housing, A10479/S9652 (Powers/Bottcher) *"An act to amend the administrative code of the city of New York, in relation to artist preferences in housing"*

A10479/S9652 addresses how affordable housing has become increasingly out of reach for artists and the city has failed to meaningfully deliver on housing for them. This comes as other cities across the nation - even others across New York State - are building housing for artists and helping them succeed, New York City has become an unfortunate outlier in this pattern. This legislation makes clear that housing programs that give preference to artists would not violate the human rights law that prohibits discrimination on the basis of occupation.

Fully fund Right to Counsel, Housing Court Answers, and the NYS Homes & Community Renewal Tenant Protection Unit

Without an equal legal footing, tenants are at risk of wrongfully losing their home by a lack of accurate and timely legal advice. Anyone facing eviction must have access to immediate answers regarding the case being made against them and be provided legal representation in court. While these services currently exist, they are woefully underfunded and tenants typically are unable to speak to free legal counsel until immediately before their case.

Supporting Public Housing

Aerial view of the NYCHA Fulton-Elliot Chelsea Campus, located in Chelsea

The home to one in 17 New Yorkers, NYCHA, is in desperate need of reform. Over 184,000 New Yorkers are on NYCHA's waiting list seeking a new unit. This high demand is only exacerbated by incredibly long wait times that have only gotten longer over the last two years. According to a report from NYCHA, in 2024, it took over 420 days to reoccupy a vacant unit. [14]

Furthermore, there is a complete lack of transparency regarding the necessary repairs for each unit before a new tenant can occupy it. After the waiting period is complete, it is not guaranteed that the new unit will be free from health hazards such as mold and moisture issues, or even basic home repairs. In some cases, NYCHA has fought residents on doing repairs, instead leaving them in unsafe, unlivable conditions.[15]

A 2020 report by the Regional Plan Association found that 81% of residents needed immediate repairs to their apartments, with more than half needing bathroom repairs and 45% needing kitchen repairs. The state of NYCHA units has had a direct effect on 25% of residents' physical health. Residents have developed respiratory and

[14] https://www.nyc.gov/assets/operations/downloads/pdf/mmr2024/nycha.pdf?
[15] https://nylag.org/citylimits-nychas-new-federal-monitor-issues-mixed-reviews-for-performance-over-the-past-5-years/

central nervous system conditions, and many experience chronic fatigue. Of residents asked, 33% said that living conditions directly affected their mental health, producing high stress and depression.[16]

State Level Reforms

NYCHA Vacancy Database, A794 (Rosenthal) *"An act to amend the public housing law, in relation to requiring New York City Housing Authority to maintain a database of vacant residential housing units"*

A794 requires the New York City Housing Authority (NYCHA) to create and maintain a public database of vacant residential units. The database must include units vacant for 180 days or more, the month and year each unit was vacated, projected repair completion dates, and when the unit will be available. Information must be publicly accessible on NYCHA's website and updated quarterly.

New York State Social Housing Development Authority, A6265/S5674 (Gallagher/Cleare) *"An act in relation to creating a public benefit corporation for the construction, acquisition, and rehabilitation of permanently affordable housing; and making an appropriation therefor"*

A6265/S5674 creates the New York State Social Housing Development Authority (SHDA), a public benefit corporation tasked with building, acquiring, rehabilitating, and preserving permanently affordable housing statewide. The Authority will manage land acquisitions, exercise rights of first refusal on distressed properties, develop new housing projects, and convert existing properties into permanently affordable units. It will protect tenants' rights, establish resident councils, create an online portal for public access, and oversee contracting and project delivery. The bill appropriates $60 million for initial operating expenses.

Supportive Housing Modernization Act, A2134/S0136 (Hevesi/Cleare)

The *Supportive Housing Modernization Act*, allows New York State Supportive Housing Program (NYSSHP) providers to modernize their contracts to Empire State Supportive Housing Initiative (ESSHI) funding levels for five years. NYSSHP, established in 1987, serves over 20,000 households, including 9,000 units that rely solely on outdated funding ($2,964/year for individuals, $3,900 for families), while ESSHI provides $25,000 per unit for services and operations across multiple priority populations. This legislation enables NYSSHP providers in good standing to access

[16] https://rpa.org/work/reports/nycha-resident-needs-assessment

ESSHI-level funding, preserving supportive housing, stabilizing providers, and preventing unit loss, with the Office of Temporary and Disability Assistance authorized to implement necessary regulations. Fiscal impact: $32 million for FY 2025-2026.

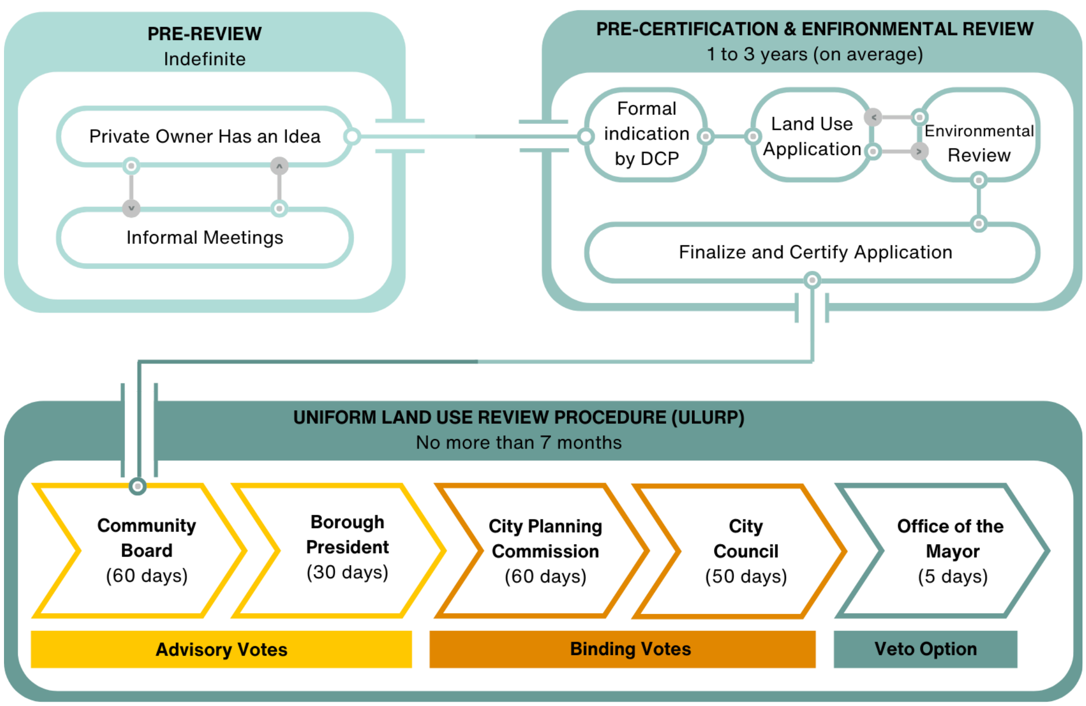
New York State Green New Deal For Public Housing Act, A2076/S6674
(Rosenthal/Cleare)

The *New York State Green New Deal for Public Housing Act*, directs the Department of Public Housing to study and implement best practices to reduce greenhouse gas emissions in public housing and RAD developments. The legislation requires a comprehensive market analysis to identify gaps in energy-efficient appliances, construction materials, and mechanical systems, including innovations like mass timber and passive house standards, while assessing costs and environmental impact. The study will inform procurement plans, bulk purchasing, and requests for proposals to encourage innovation and cost savings, with results published within a year and plans implemented by relevant state agencies. Biennial reports on progress, impact, and cost-effectiveness are required, and the act takes effect immediately.

Shovel Ready Sooner

A major driver of housing construction costs occurs before a shovel is even in the ground. New York's land use and environmental review systems were originally designed to balance growth with accountability, transparency, and environmental protection. But over time, these processes have become so complex and unpredictable that they now function less as tools for good planning and more as barriers to it. Projects requiring discretionary approval often spend years in pre-certification and environmental review before even entering the Uniform Land Use Review Procedure (ULURP), with most of the delay concentrated in environmental assessments and impact statements. *Figure 1* outlines the full pre-entitlement process in New York City.[17] *Figure 2* shows the median number of months to secure approval by level of environmental review required.[18] This timeline is far longer than the City Charter's intended seven-month ULURP process and significantly raises costs, through inflation, consultant fees, land-carrying charges, and financing expenses, before a single shovel ever hits the ground.

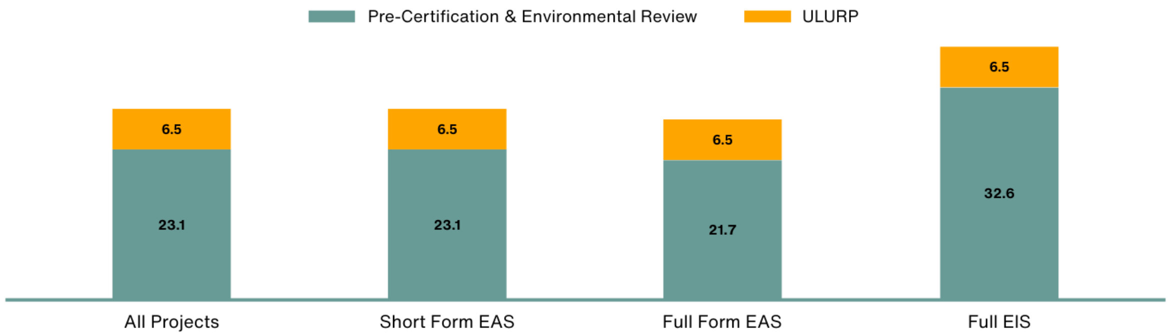
Figure 1: Simplified Land Use Review Process



17 https://cbcny.org/research/improving-new-york-citys-land-use-decision-making-process#:~:text=Excluding%20any%20informal%20pre%2Dreview,a%20small%20volume%20of%20applications

18 https://cbcny.org/research/improving-new-york-citys-land-use-decision-making-process#:~:text=Excluding%20any%20informal%20pre%2Dreview,a%20small%20volume%20of%20applications

Figure 2: Median Number of Months to Secure Approval by Level of Environmental Review Required



Source: CBC staff analysis of data provided by the City of New York, Department of City Planning, email to the Citizens Budget Commission December 18, 2020

The drawn-out timeline adds another layer of risk: uncertainty. Developers cannot know how long their proposal will take, whether it will be approved, or what conditions will be imposed along the way. *Table 1* depicts an analysis conducted by the Citizens Budget Commission on the additional costs incurred due to the lengthy pre-entitlement review process for various project sizes.[19] The process includes multiple veto points, and the threat of lawsuits under State Environmental Quality Review Act (SEQRA), even if rarely successful, encourages opponents to weaponize delay. As a result, many potential projects never even make it to application. Smaller builders in particular, without the capital to absorb years of costs or the political resources to navigate uncertain outcomes, are effectively sidelined.

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19 https://cbcny.org/research/improving-new-york-citys-land-use-decision-making-process#:~:text=Excluding%20any%20informal%20pre%2Dreview,a%20small%20volume%20of%20applications

Table 1: Cost Increases for Two-Year Approval Process

	High-Rise	Mid-Rise	Low-Rise
Base Hard Costs	$360,000,000	$63,750,000	$13,000,000
+ inflation (2 years)	$36,900,000	$6,534,375	$1,332,500
Base Soft Costs	$72,000,000	$12,750,000	$2,600,000
+ CEQR/ULURP	$3,500,000	$2,000,000	$1,000,000
TOTAL	$472,400,000	$85,034,375	$17,932,500
% Cost Increase	9%	11%	15%
Total Increase	$40,400,000	$8,534,375	$2,332,500
Increase per Unit	$67,333	$50,202	$58,313
If Land Was Financed... Additional Interest Payments	$5,287,104	$1,247,918	$185,717
% Increase w/ Interest	11%	13%	16%

Note: The analysis assumes hard costs of $600 per square foot for high-rises, $375 per square foot for mid-rises, and $325 per square foot for low-rises. The inflation rate for hard costs is assumed to be 5 percent annually. Base soft costs are assumed to be 20 percent of hard costs for as-of-right projects; additional soft costs are attributable to discretionary projects based on conversations with industry professionals. Loans for land acquisition are assumed to be interest-only at an annual rate of 8 percent for 60 percent of land price ($200 per buildable square foot for high-rises, $150 per square foot for mid-rise, and $100 for low-rise.)

Source: CBC staff analysis

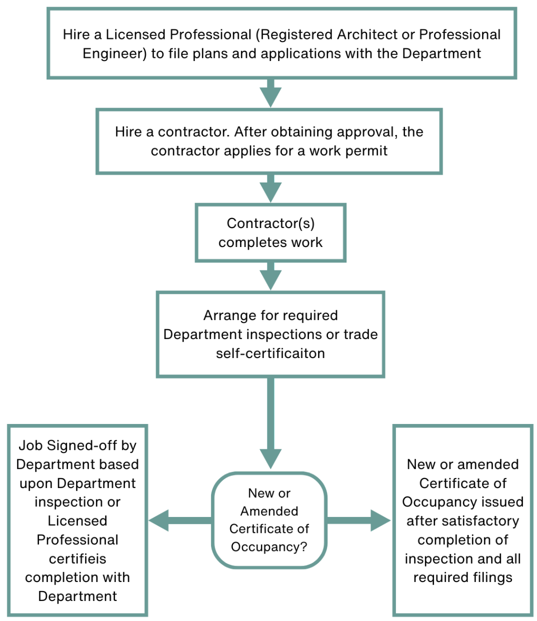
This combination of lengthy reviews, rising costs, and unpredictable results suppresses the total number of projects proposed, especially the affordable housing the city so desperately needs. While environmental review was meant to safeguard neighborhoods and natural resources, in practice, it has become biased toward the status quo, making inaction easier than change. While ULURP was intended to provide structured public input, the process often devolves into adversarial standoffs, where needed projects are delayed, needlessly scaled back, or abandoned. The result is a system that delivers fewer homes, higher rents, and slower adaptation to the city's pressing economic, social, and environmental challenges.

All of this occurs before the City engages in post-entitlement approvals. New York City's building permit process, overseen by the Department of Buildings, is meant to ensure safety and compliance, but in practice it has become a costly, time-consuming maze that slows down everything from a homeowner's renovation to the construction of new affordable housing or the opening of a small business. *Figure 3* summarizes the process of obtaining a permit in New York City.[20] Applicants must navigate multiple agencies, face unclear timelines, and rely on outdated systems that

[20] https://www.nyc.gov/assets/home/downloads/pdf/press-releases/2022/GetStuffBuilt.pdf

don't provide a clear roadmap, holistic review, or streamlined communication. Instead of coordinating approvals across agencies, the process pushes that burden onto applicants, often requiring duplicate submissions and unnecessary filing fees. This results in delays that can stretch for months, which can drive up expenses by hundreds of thousands of dollars. In some cases, it can also prevent projects from ever getting off the ground, raising housing costs, stalling economic activity, and keeping New Yorkers from the homes, jobs, and businesses they need.

Figure 3: Permit Process



State Level Reforms

Sustainable Affordable Housing And Sprawl Prevention Act, A6283A/S3492
(Kelles/May)

The *Sustainable Affordable Housing and Sprawl Prevention Act* directly addresses the environmental review pre-entitlement challenges outlined in this section of the report by streamlining and clarifying environmental review for dense, affordable housing projects. Instead of forcing builders through years of costly, unpredictable SEQRA assessments, often focused on issues like "neighborhood character" rather than core environmental risks, the bill exempts or limits review for qualifying infill projects that meet strict standards for sustainability, site safety, and environmental protection. By setting clear thresholds, requiring environmental certifications, and shielding covered projects from unnecessary litigation, the bill reduces pre-entitlement delays, lowers holding and financing costs, and gives developers, especially smaller and nonprofit builders, greater predictability. In doing so, it curbs the weaponization of SEQRA against needed housing, channels growth into existing communities with transit and infrastructure, and makes it more feasible to deliver the kinds of dense, climate-friendly housing New York needs.

Shot Clock on Post-Entitlement Approvals (Simone Legislation Pending)

New York's housing crisis isn't just about zoning and approvals; it's also about what happens after a project clears those hurdles. Even once entitlements are secured, the Department of Buildings' permitting and inspection process can mire projects in costly, unpredictable delays. Builders must shuttle paperwork between multiple agencies, face opaque timelines, and absorb carrying costs while their applications sit idle. For small and mid-sized developers, especially, these delays can turn feasible projects into financial dead-ends.

New York should consider legislation based on California AB 253.[21] The Third Party Permit Review, or "Housing Shot Clock," bill directly addresses this problem by creating accountability and predictability. It allows applicants for residential building permits to retain a private professional to perform a plan check if the city or county cannot complete its review within 30 business days, while still requiring the agency to provide an estimated review timeframe and to consider the private report within 10 business days. It also imposes reporting, affidavit, and perjury requirements on the private professional and establishes a process for the agency to approve or reject plans based on the report, creating a state-mandated local program. By establishing a clear timeline and a reliable fallback, this proposal prevents unnecessary bottlenecks, reduces costs, and ensures that more housing projects actually make it from blueprint to groundbreaking.[22]

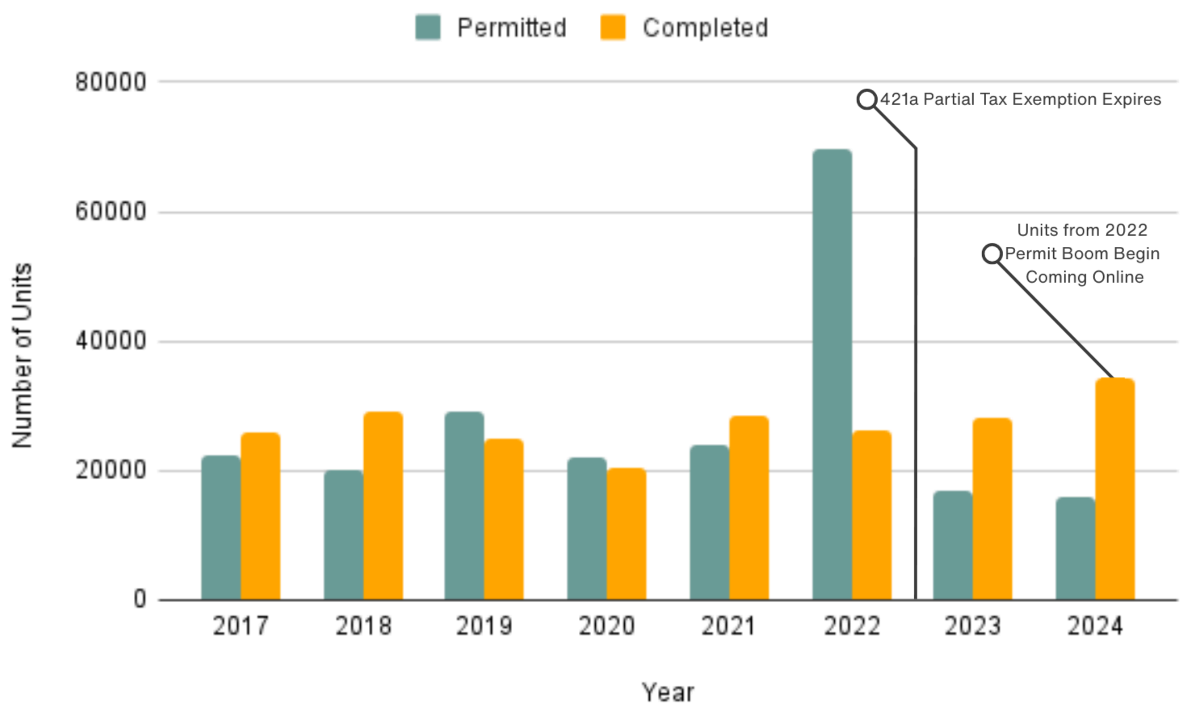
[21] https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB253

[22] https://cayimby.org/legislation/ab-253/

Building Faster

In 2024, New York City saw 33,974 units come online. This is the most new homes completed in a single year since 1965.[23] This is a reflection of the expiration of the 421-a tax program in 2022.[24] Developers rushed to secure permits under the program in the face of the uncertain utility of the 485-x program that replaced it. While 2024 represents a strong improvement in addressing the supply side of the crisis, it is likely an anomaly. *Figure 4* shows annual units permitted and units that came online. It can be assumed that most units permitted will come online two years later.

Figure 4: Number of New Housing Units Permitted and Completed by Year (NYC)



After completely overhauling its zoning code, Minneapolis has seen housing production soar as market-rate rents have stabilized. Between 2017 and 2022, Minneapolis increased its housing supply by 12% while there was only a 4% increase across the state. The effect was rent in Minneapolis only increased by 1% over the period, while it rose 14% statewide. Homelessness fell by 12% in Minneapolis while it

[23] https://www.nyc.gov/content/planning/pages/about-us/newsroom/pr-20250310
[24] https://storymaps.arcgis.com/stories/1c9138dc24064b2e8142ff156345a719

rose by 14% statewide. The largest growth in supply (87%) in Minneapolis was multifamily buildings with 20+ units.[25]

Over the same time period, NYC only increased its housing supply by 3.55%.[26] Between 2019 and 2022, the Census Bureau's American Community Survey (ACS) found an increase in market rent of 12% while data from StreetEasy compiled by the Comptroller showed a 17% increase in rents.[27]

Austin offers another example of what happens when supply meets demand. After years of surging rents fueled by pandemic-era population growth, developers responded by building at an extraordinary pace. The result: Austin recorded the steepest rent decline of any large U.S. metro in Q1 2025 at -4.2% year over year. *Figure 5* shows the relationship between new housing deliveries and rent growth.[28] Austin isn't alone; 33 of the 150 largest metros also saw negative rent growth, underscoring the basic rule that when more homes are built, rents stabilize or fall. In other words, Austin is not an outlier but proof of the broader principle that sustained housing production is the surest way to bring affordability within reach.[29]

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[25] https://www.pewtrusts.org/en/research-and-analysis/articles/2024/01/04/minneapolis-land-use-reforms-offer-a-blueprint-for-housing-affordability

[26] Calculation based on data from the Housing and Vacancy Survey released in February 2018 (https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2017-hvs-initial-findings.pdf) and the NYC Housing Production Snapshot released March 2024 (https://storymaps.arcgis.com/stories/1c9138dc24064b2e8142ff156345a719)

[27] https://comptroller.nyc.gov/reports/spotlight-new-york-citys-rental-housing-market/#:~:text=In%20the%20ACS%2C%20median%20gross%20rent%20in,StreetEasy%20for%20on%2Dline%20available%20listings%20in%202022.

[28] https://www.nmhc.org/news/research-corner/2025/austins-rent-drop-isnt-weird-its-economics/

[29] https://www.nmhc.org/news/research-corner/2025/austins-rent-drop-isnt-weird-its-economics/

Figure 5: Annual Deliveries as a Share of Prior Year's Inventory, Annual Rent Growth (Austin, TX)

Innovations in construction techniques have been able to dramatically speed up timelines. Modular building is a construction method where buildings are manufactured in pieces at off-site factories and later assembled on location. This method is faster and cheaper than traditional construction, making it a valuable asset in addressing the affordable housing crisis. In New York, these faster timelines and reduced costs would likely be a boon for labor jobs in the modular construction subsector.

Case studies of projects in the US and globally showcase these efficiencies. A 312-unit mid-rise multifamily apartment complex recently completed outside of Pittsburgh saw cost reductions of 10 percent, 90 percent less waste, and a timeline reduced by 40 percent from traditional construction methods.[30] These efficiencies are not limited to low-rise developments. Ten Degrees Croydon, a 546-unit multifamily high-rise (442 feet), was delivered from idea to opening in 39 months.[31] The total construction timeline was 26 months.[32] This expedited delivery was accompanied by a

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https://medium.com/@danielkaufmanrealestate/modular-construction-goes-mainstream-c997a4a5e52f

31

https://www.architectsjournal.co.uk/buildings/hta-designed-worlds-tallest-modular-housing-scheme-opens-in-croydon

32 https://www.pbctoday.co.uk/news/mmc-news/worlds-tallest-modular-building/72862/

40 percent reduction in total embodied carbon.[33] Even more significant improvements in build time are being derived in China, where a 10-story apartment building was constructed in 28 hours and 45 minutes An even larger building (26 stories) was delivered in five days.[34] While worker and building safety standards differ greatly from China to New York, there is still much to be learned from projects that are completed orders of magnitude more quickly than seen in New York. Expanding the utilization of modular construction in New York State will expedite project delivery, streamline the construction process and reduce neighborhood impacts, lower costs, lower environmental impact, and, with remote fabrication facilities, create jobs across the state, including upstate.

State Level Reforms

Adopting a Standardized Modular Code (Simone Legislation Pending)

Modular construction is more complex than traditional construction due to its multi-phase process involving both factory production and on-site assembly, often under different local regulatory codes.

Several states, including Utah and Virginia, have adopted standardized modular codes to streamline the regulatory process and ensure safer, more relevant standards for modular building. New York should consider adopting the International Code Council (ICC)/MBI 1200-2021 Standard for Off-site Construction: Planning, Design, Fabrication and Assembly, and ICC/MBI 1205-2021 Standard for Off-site Construction: Inspection and Regulatory Compliance.[35] [36]

Enabling Replicable Projects (Simone Legislation Pending)

A critical benefit of modular construction is its replicability. This allows for precision in construction and reductions in costs associated with the design and approval process. However, in New York, all projects require their own approvals, even if there are no deviations from previously approved plans. This is inefficient and unnecessary, slowing construction and increasing costs.

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[33] https://www.architectsjournal.co.uk/buildings/hta-designed-worlds-tallest-modular-housing-scheme-opens-in-croydon

[34] https://canada.constructconnect.com/dcn/news/technology/2025/06/china-shows-the-potential-for-high-speed-modular-construction

[35] https://codes.iccsafe.org/content/ICC12002021P1

[36] https://codes.iccsafe.org/content/ICC12052021P1

New York should consider legislation, modeled on California Assembly Bill 557, that would remove those inefficiencies.[37] It would allow previously approved projects to be replicated in subsequent projects within the same building code cycle unless standards change. Under AB 557, once a factory-built housing design is approved and assigned a serial number, that same plan can be used in other development projects without resubmission, streamlining approvals and cutting costs for housing developers.

Third Party Review for Factory Built Housing (Simone Legislation Pending)

By allowing qualified third-party professionals to conduct design and installation reviews, the state can dramatically expand review capacity, shorten approval timelines, and make modular housing a more reliable and scalable tool for addressing the housing crisis. Faster, predictable reviews mean projects can move from concept to construction without the long administrative delays that discourage investment and innovation.

New York State should consider legislation modeled after California AB 557 that would authorize licensed architects and qualified design approval agencies to perform plan reviews and approvals for factory-built housing and developments.[38] Under CA AB 557, approvals are deemed equivalent to departmental approval, enabling a distributed network of trusted reviewers to accelerate production without compromising safety or quality. The bill also requires the department to establish clear standards for qualifying and overseeing these agencies to ensure consistency and accountability. By expanding review authority beyond the department itself, AB 557 breaks a critical bottleneck in modular housing production, helping projects get approved and built faster across the state.

[37] https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB557
[38] https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260AB557

Code Reform

Building codes, standards, and regulations establish the rules for designing, constructing, altering, and maintaining buildings to ensure public health, safety, and welfare. They cover nearly every aspect of a building's structure and systems, from foundations, walls, and roofs to plumbing, electrical systems, fire safety, and hazard resistance. These rules are developed by standards-developing organizations and adopted, enforced, and sometimes modified by federal, state, local, tribal, and territorial authorities, creating a layered system that can vary widely across jurisdictions. Because codes incorporate detailed technical standards, hazard-specific requirements, and materials guidelines, and because jurisdictions may adopt different model codes or add their own modifications, the resulting framework is highly complex and often difficult to navigate, even for experienced architects, builders, and regulators.[39]

This makes the process of updating, amending, and eliminating outdated, or inefficient codes difficult. This often leads to the situation where outdated codes continue to exist while providing no safety benefits and increasing the cost to build new housing. A recent example of code reform to spur the creation of more low-cost housing is "*Single Stair Reform*".

According to a 2025 study by The Pew Charitable Trusts, single-stairway apartment buildings, typically four to six stories tall, have a strong safety record. From 2012 to 2024, fire death rates in modern single-stairway buildings in New York City were no different from those in other residential buildings; not one death in which the exit (or lack of a second exit) played a role was recorded in a modern four-to-six-story single-stair building in Seattle or New York City during that same 12-year period.[40]

Furthermore, these buildings cost 6% to 13% less to construct compared to similar dual-stairway buildings, thanks to reduced structural requirements and simpler layouts. They can also fit on smaller infill lots, potentially increasing the supply of apartments in high-opportunity urban and suburban neighborhoods. And to the degree that these modern buildings replace older, riskier buildings, or enable residents to move out of older housing, single-stairway apartments will actually increase fire safety.[41]

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[39] https://www.congress.gov/crs-product/R47665

[40] https://www.pew.org/en/research-and-analysis/reports/2025/02/small-single-stairway-apartment-buildings-have-strong-safety-record

[41] https://www.pew.org/en/research-and-analysis/reports/2025/02/small-single-stairway-apartment-buildings-have-strong-safety-record

State Level Reforms

Empire State Building Code Reform Task Force (Simone Legislation Pending)

The *Empire State Building Code Reform Task Force* will seek to review the New York Code in search of similar reforms that promote safety and affordability. This Task Force will be filled with experts with a diversity in expertise and geographic location. Given the immediate need to take action to combat the housing affordability crisis, this Task Force will submit their report within one year following its authorization.

Building More, Sustainably

It may come as a surprise to many, but New Yorkers are the most environmentally friendly Americans. Why? "Its extreme compactness."[42] This density, often seen as a drawback, is actually New York's greatest environmental strength. By living close together, New Yorkers drive less, share walls that conserve energy, and rely on one of the world's most efficient public transit systems. The average city resident uses a fraction of the gasoline and electricity consumed by Americans elsewhere, and Manhattanites have the smallest carbon footprints in the nation, less than one-third of the U.S. average. In short, New York's vertical lifestyle and reliance on walking, biking, and transit make it a model of unconscious sustainability, proof that the greenest way to live isn't to spread out, but to live together.[43]

However, this comes at a cost. According to reporting from the Comptroller, over 53% of renters are housing cost burdened.[44] This report argues and makes clear, the solution to the housing crisis requires an "all of the above" approach. The State of Yes is about "yes to strengthening tenant protections", "yes to creating targeted income-based housing", "yes to fixing and expanding public housing", and "yes to building more supply", backed up by academic research.

In *Supply Skepticism or Supply Realism?* Anthony Damiano argues that in order to truly create housing that everyone can afford, we must embrace market reforms, as well as targeted programs that generate housing for those earning the lowest income in our society can afford.

Damiano's response to *Supply Skepticism Revisited* reframes the debate around not whether supply matters, but what type of supply matters, and for whom. He argues that while new housing, especially market-rate units, can help moderate rent growth, the benefits are uneven and tend to accrue to higher-end submarkets. His "supply realism" approach stresses that housing markets are highly segmented, and that adding luxury apartments often does little to improve affordability for lower-income renters, and can even raise nearby lower-end rents in the short term. Using Minneapolis as an example, he notes that zoning reforms and new construction helped prevent rents from rising even more sharply, but affordability gains were largely limited to higher-income households. In short, new supply is necessary to keep conditions from worsening, yet insufficient on its own without complementary measures such as

[42] https://e360.yale.edu/features/greenest_place_in_the_us_its_not_where_you_think
[43] https://e360.yale.edu/features/greenest_place_in_the_us_its_not_where_you_think
[44] https://www.osc.ny.gov/files/reports/osdc/pdf/report-17-2024.pdf

rent stabilization, public housing investment, and strong tenant protections.[45] The following state level reforms focus on delivering desperately needed supply promoting the most sustainable building methods possible.

New York's labor workforce is well trained and ready to lead on a new wave of sustainable construction after years of the state prioritizing energy efficiency projects including decarbonization and new green construction methods. It will be critical that in becoming a State of Yes, New York ensures strong labor, safety and training standards, and utilizes the deep knowledge and expertise of organized labor while developing new construction goals and standards.

State Level Reforms

Exclusionary Zoning Reform, A2586 (Kellesl) "*An act to amend the general city law, the village law and the town law, in relation to limiting a municipality's authority to impose certain zoning requirements*"

A2586/S188 limits the ability of local governments to use exclusionary zoning practices that restrict new housing construction. By setting statewide standards for things like lot size, parking requirements, and small multifamily housing, the bill helps make it easier to build more homes, especially near transit. This approach promotes affordability, reduces segregation, and ensures every community contributes to meeting New York's housing supply needs.

New York Fair Housing Act, S6958 (Jackson)

The *New York Fair Housing Act* represents one of the most ambitious state-level efforts to address New York's worsening housing shortage by ensuring every municipality contributes its "fair share" of affordable housing. Modeled on successful frameworks like New Jersey's *Mount Laurel doctrine*, the bill would require all cities, towns, and villages to plan for, and zone, sufficient affordable housing to meet regional needs. It establishes an *Affordable Housing Committee* to calculate local housing obligations on a 10-year cycle and mandates that municipalities submit compliance plans, backed by enforceable zoning changes and annual progress reports.

To promote accountability, the bill introduces enforcement mechanisms, including the *Builder's Remedy*, which allows developers to override restrictive local zoning in noncompliant jurisdictions, and empowers the Attorney General to take legal action against municipalities that fail to meet their obligations. Penalties from

[45] https://www.tandfonline.com/doi/full/10.1080/10511482.2024.2418059#d1e237

noncompliance would fund a newly created *New York Affordable Housing Trust Fund*, supporting affordable housing projects statewide.

In the broader context of New York's ever growing affordable housing shortfall, this bill would mark a major shift from the state's historically decentralized housing policy toward a coordinated, equity-driven model, one that pairs local flexibility with firm state oversight to ensure that every community helps meet the state's housing needs.

State Affordable Housing Zoning Board of Appeals, A1492/S4058 (Kelles/May) "*An act to amend the public housing law, in relation to low or moderate income housing developments*"

A1492/S4058 streamlines the approval process for affordable housing developments by allowing local zoning boards to approve these projects and creating a state-level appeals process when approvals are unfairly denied. Modeled on successful systems in states like Massachusetts and New Jersey, the bill ensures that affordable housing can be built in more communities, not just a few. By expanding housing choice and reducing local barriers, the bill helps address segregation, increases access to opportunity, and makes it easier for working families to find homes they can afford.

Sustainable Building Materials Act of 2025, A6566B/S7648 (Carroll/Kavanagh)

The *Sustainable Building Materials Act of 2025* incentivizes the use of low-carbon construction materials to help reduce greenhouse gas emissions from the building sector. The bill creates a sales tax exemption for qualifying low-carbon products, like greener concrete and steel, and establishes a grant program to help manufacturers measure and disclose their environmental impact. By lowering costs for climate-friendly materials and supporting local producers, the bill encourages sustainable construction practices, drives innovation, and helps New York meet its climate goals under the *Climate Leadership and Community Protection Act*.

Carbon-Offset Marketplace Feasibility Study (Simone Legislation Pending)

New York should consider a study to identify the feasibility of establishing a carbon-offset marketplace, particularly one that leverages the state's robust forestry and agricultural sectors. Carbon offsets are credits representing the reduction, avoidance, or removal of one metric ton of carbon dioxide equivalent (CO_2e) from the atmosphere, which can be purchased by firms, municipalities, or other entities seeking to mitigate their emissions.[46]

However, the current carbon-offset market faces significant problems. Many forestry-based offset projects lack additionality (i.e., the carbon reduction would have happened anyway) and suffer from weak baseline assumptions, leading to exaggerated claims of emissions benefit.[47] Verification challenges, permanence risks (such as wildfires releasing stored carbon), leakage (emissions relocated elsewhere), and low pricing in voluntary markets further undermine the value proposition of many offsets.[48]

In the context of New York, a well-designed marketplace could create a dual benefit: (1) generating a new revenue stream for upstate farmers and landowners who manage forestland or participate in sustainable timber production, and (2) promoting sustainable forestry practices that enhance carbon sequestration, biodiversity, and economic value. By aligning timber harvesting, forest regeneration, and carbon-sequestration incentives, New York could support rural economies and create a new supply of sustainable building materials while advancing climate goals. A feasibility study should assess: the appropriate design (e.g., private vs. public registry); pricing mechanisms; verification and monitoring protocols; risk mitigation (e.g., wildfire, persistence); landowner participation barriers; and how revenue flows can support timber-production and farm income in upstate areas.

Adopting the Mass Timber IBC Standard (Type IV-A/IV-B/IV-C) **(Simone Legislation Pending)**

New York should move to adopt the updated International Building Code (IBC) provisions that explicitly permit tall mass-timber construction (Type IV-A), which can allow mass-timber buildings up to 18 stories. This would unlock a safe, fast, and lower-carbon alternative to conventional steel and concrete structures. Mass timber refers to engineered wood products (e.g., cross-laminated timber, glulam, and structural composite lumber) manufactured from layered or laminated wood panels and beams to create primary structural systems; these products are factory-precision components that speed onsite erection and reduce construction schedules.[49]

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[46] https://www.ibm.com/think/topics/carbon-offsets#:~:text=Carbon%20offsets%20are%20mechanisms%20through,to%20a%20report%20by%20BloombergNEF.&text=But%20concerns%20about%20greenwashing%20have,efforts%2C%20including%20carbon%20offset%20investments.

[47] https://www.caryinstitute.org/news-insights/feature/rethinking-forest-carbon-offsets?

[48] https://u.osu.edu/forest/2024/05/12/why-are-nature-based-carbon-offset-prices-so-low/?

[49] https://continuingeducation.bnpmedia.com/architect/courses/think-wood/2021-ibc-building-bigger-and-taller-with-low-carbon-wood?

On safety, the modern mass-timber approach is based on tested fire-resistance strategies: large-section timber chars at a predictable rate, forming an insulating layer that protects the unburned core, and IBC Type IV-A requires specified fire-resistance ratings and noncombustible protections (and other active protections such as sprinklers) so performance in fire scenarios is comparable to, or in some respects superior to steel, which can lose strength quickly at high temperatures, and to concrete in certain failure modes. Peer-reviewed fire-and-structural research and the ICC's tall-wood code development process support these provisions.[50] [51]

Environmentally, mass timber typically yields large reductions in embodied carbon versus steel or concrete structures because it stores carbon and requires less energy-intensive material production; multiple life-cycle assessments (LCA) find mass-timber structures can cut embodied greenhouse-gas emissions substantially (studies show reductions of 19% or more versus comparable steel structures, with broader LCA series indicating even larger percentage savings depending on design). Adopting the 18-story allowance would therefore be a concrete step toward lowering the state's building-sector emissions.[52] [53]

Other U.S. jurisdictions have already moved forward: Washington State[54] and Oregon[55] adopted tall-wood provisions ahead of or alongside IBC updates, creating regulatory certainty that helped catalyze investment and supply-chain development in the Pacific Northwest. New York City[56] has likewise updated local codes and guidance to permit mass-timber applications (up to 85'), and recent large projects in the region show both public appetite and private feasibility. Aligning New York State with the

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https://internationaltimber.com/resources/how-does-timber-handle-fire-compared-to-steel-and-concrete/?

51
https://www.iccsafe.org/building-safety-journal/bsj-technical/tall-mass-timber-provisions-represent-historic-new-building-code-requirements/?

52 https://research.fs.usda.gov/treesearch/67831?

53
https://www.woodworks.org/wp-content/uploads/presentation_slides_Feitel_Ni_WBLCA_Series_Embodied_Carbon_Cost_12.2024.pdf?

54
https://www.prnewswire.com/news-releases/washington-state-to-allow-mid-and-high-rise-mass-timber-buildings-300760329.html?

55
https://www.resourcewise.com/market-watch-blog/oregon-clears-the-way-for-taller-mass-timber-buildings?

56
https://www.ctbuh.org/news/new-construction-codes-in-new-york-city-allow-taller-mass-timber-construction?

updated IBC would let the state capture the economic, climate, and construction-speed benefits while ensuring consistent, modern safety oversight.

Faith Based Affordable Housing Act, A3647/S3397 (Cunningham/Gounardes)

The *Faith Based Affordable Housing Act* empowers churches, mosques, temples, synagogues, and other faith-based institutions to play a more active role in addressing New York's housing crisis. By easing restrictive zoning rules and streamlining approval processes, the bill allows these community anchors, many of which are land-rich but cash-poor, to develop underutilized properties into affordable housing. Passing this bill would unlock the potential of faith-based institutions to help ensure that more New Yorkers have a safe, stable, and affordable place to live.

Transit-Oriented Development Act, A5137 (Solages)

The *Transit Oriented Development Act* requires dense housing construction near transit hubs to help lower commuter and housing costs, fight redlining, and reduce greenhouse gas emissions. Dense, walkable, mixed-use development near transit attracts people and adds to vibrant, connected communities. This bill will require municipalities to allow for the construction of housing with at least twenty-five units within a half-mile of a transportation hub.

Tax Reform

New York's property tax system has become one of the biggest hidden drivers of the housing crisis. Originally restructured after the Hellerstein decision in 1975, it has hardened into a regressive and opaque framework that consistently punishes the very people and neighborhoods least able to shoulder the burden. Renters, who make up two-thirds of city households, face far higher effective tax rates than homeowners. Multifamily buildings, where most New Yorkers live, are taxed several times more heavily than single-family houses.[57]

These inequities hit low-income communities and communities of color the hardest. Properties worth under $300,000 per unit often face tax rates triple those of units valued above $1 million. Predominantly Black and Hispanic neighborhoods pay more relative to property value than wealthier, whiter areas like Park Slope and the East Village. In effect, the system reinforces racial and economic disparities rather than addressing them. [58]

The structure also distorts land use in ways that harm housing affordability. Vacant and underutilized parcels are lightly taxed, allowing speculators to hold land off the market while values appreciate. At the same time, fully occupied apartment buildings, already providing homes for thousands, are forced to contribute disproportionately to city revenues. Instead of encouraging housing growth, the tax code penalizes it. [59]

This can become especially problematic when factoring in social spending such as the expansion of public transportation. By failing to fully account for the land value derived from proximity to mass transit, the tax system fails to incentivize densification around transit hubs. This encourages urban sprawl and increases competition for housing within urban areas, two major drives of high costs in housing.

[57] https://www.cssny.org/publications/entry/footing-the-bill-fifty-years-of-nyc-property-tax-tenants-towers-low-income-communities-color

[58] https://www.cssny.org/publications/entry/footing-the-bill-fifty-years-of-nyc-property-tax-tenants-towers-low-income-communities-color

[59] https://www.cssny.org/publications/entry/footing-the-bill-fifty-years-of-nyc-property-tax-tenants-towers-low-income-communities-color

State Level Reforms

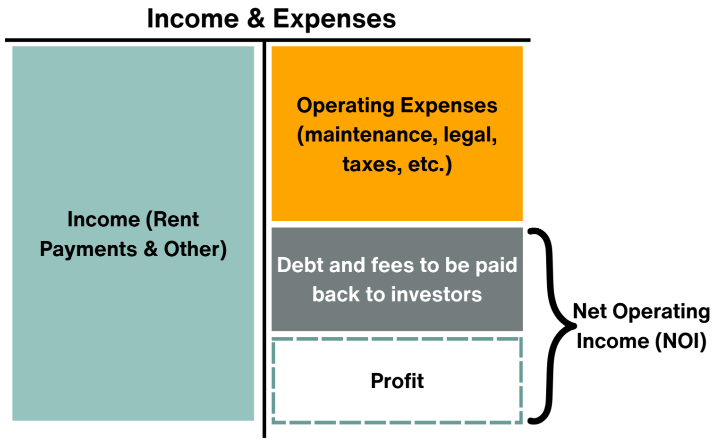
Land Value Tax Pilot Program, A3339A/S1131 (Bores/May) *"An act to direct the department of taxation and finance to establish a pilot program for implementation of local land value taxation"*

New York's property tax system distorts land use by taxing fully occupied apartment buildings more heavily than vacant or underutilized parcels, rewarding speculation while penalizing housing production. A3339/S1131 begins to correct this by creating a pilot program for land value taxation, allowing up to five municipalities to shift more of the tax burden onto land itself rather than the buildings on it. By taxing vacant and underused parcels more heavily, while easing the burden on active housing, land value taxation encourages infill development, reduces incentives for speculation, and promotes denser, more affordable communities.

Financing

Financing a multifamily residential project is already a challenge: developers must cover steep land, construction, and tax costs up front, usually by taking on large loans. The project only works if future rents are high enough to cover operating expenses, repay debt, and still leave a margin for investors. If that equation doesn't "pencil out," the building won't get built. *Figure 6* illustrates these factors for a hypothetical project that would "pencil out".[60]

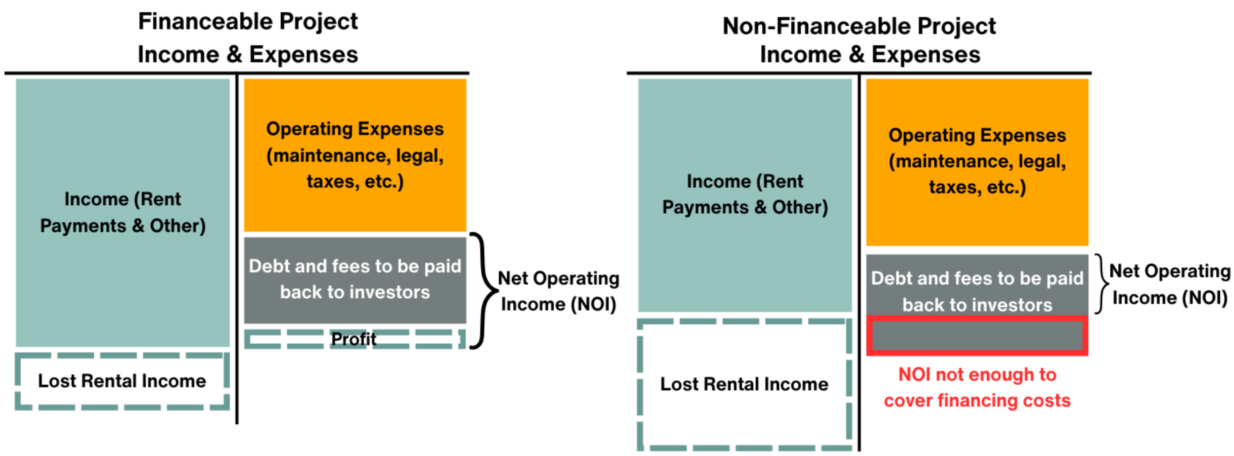
Figure 6: Illustration of the income and expenses of an operational multi-family housing development



The challenge grows even sharper when affordability is prioritized. Lower regulated rents mean less income to service debt, making lenders hesitant and projects harder to finance. Many affordable developments simply cannot move forward without subsidies, tax credits, or other public tools to bridge the gap. In short, the very policies meant to expand affordability also make it much harder to get new housing built. *Figure 7* depicts one financing plan for an affordable multifamily rental construction project that "pencils out" and another that does not. This showcases the need to ensure that government policy balances affordability criteria with other incentives to offset overall costs and ensure that revenue can provide for the maintenance of the building as well as debt service. The project on the left is financeable, but the project on the right, with more revenue loss due to greater affordability achieved through lower rents, would not be financeable.

[60] https://fiscalpolicy.org/financing-affordable-multi-family-housing-development

Figure 7: Illustration of one financing plan for an affordable multifamily rental construction project and a financing plan for an affordable multifamily rental construction project that is not viable without policy intervention



State Level Reforms

Housing Finance Agency's Bonding Authority, A420/S735 (Rosenthal/Kavanagh)
"An act to amend the private housing finance law, in relation to increasing the New York state housing finance agency bonding authority"

A420/S735 directly tackles the financing challenges that make affordable housing so difficult to build. By increasing the Housing Finance Agency's bonding authority by $5 billion, the bill expands the pool of low-cost capital available for developers who face high upfront costs and reduced revenue under affordability requirements. This added bonding capacity helps fill the financing gap that lenders and investors often leave when projects cannot "pencil out" on their own, ensuring that more developments can move forward without being stalled or abandoned. In doing so, A420/S735 gives the state a stronger tool to balance affordability goals with financial feasibility, making it possible to build and preserve more affordable housing across New York.

485X (Affordable Neighborhoods for New Yorkers) Effectiveness Study

New York should consider commissioning an evaluation of the newly introduced Affordable Neighborhoods for New Yorkers program, designed to incentivize affordable housing production. While city officials report early success in stimulating investment, some critics remain skeptical, drawing comparisons to the prior 421-a program, which faced questions about cost-effectiveness and equitable distribution of benefits.[61] An effectiveness study should examine the program's actual impact on affordable housing production, neighborhood-level distribution, displacement risks, and financial efficiency, while identifying any unintended consequences. Conducting this analysis will ensure that the policy tool achieves its goals, provides evidence for potential refinements, and maintains transparency in how public incentives translate into meaningful housing outcomes.

61 https://www.crainsnewyork.com/residential-real-estate/city-officials-say-revamped-housing-tax-break-working-contradicting