



NEW YORK STATE BUILDERS ASSOCIATION, INC.

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The New York State Builders Association (NYSBA) and its membership of over 2,300 homebuilding, remodeling and associated businesses work to promote the residential construction industry's ability to provide quality housing to New Yorkers of all incomes.

For 2012, NYSBA plans to advance legislation and regulatory reform that addresses three broad issues:

- (1) Promoting homeownership by increasing affordable housing stock for all New Yorkers;
- (2) Addressing the key factors that drive up the cost of housing;
- (3) Encouraging a more business-friendly climate in New York State.

While cost increases can result from forces far beyond the control of government officials, frequently it is specific government action that reduces housing affordability. National Association of Home Builders (NAHB) analysis has found that every \$819 increase in fees paid at the beginning of the construction process — such as an increase in the price of a construction permit, a tap fee, a proffer or an impact fee — adds an additional \$1,000 to the final price of the home. The differential occurs because when construction costs rise, other costs, such as financing costs and broker commissions, rise in tandem.

Every time the price of a house goes up by \$1,000 a 550 more people in Upstate New York are effectively knocked out of the housing market. That number expands to 4,200 when calculated for New York City.

For 2012, The New York State Builders Association supports:

- **Scaffold Law Reform**

New York is the only state in the nation that holds contractors completely responsible for any fall-related injury at the work site, even if a worker is drunk, on drugs or not wearing safety equipment he or she was instructed and trained to wear. When a worker falls, the contractor has to pay – no matter what.

NYSBA believes that any worker legitimately injured on the job due to negligence on the part of the builder, contractor or owner should be compensated accordingly but the current law does not provide a fair playing field for a builder that is facing a liability lawsuit. This increased risk has increased the cost of general liability insurance

between 300%-600%, reduced coverage and driven insurance carriers and builders out of the state.

NYSBA will work this year with like-minded organizations to build support for legislation that will dramatically reform New York's outdated, job-killing Labor Law 240/241.

- **Legislation that establishes a statutory framework for vested rights for land development.** Real estate development projects continue to increase in their scope and expense. The planning process for land development is lengthy and requires a significant and continuing investment over a long period of time to bring a project to fruition.

The application of vested rights upon the issuance of a building permit is outdated. This approach no longer reflects the complexity, length and expense incurred in the real estate development process in New York State. It is imperative to establish that municipal action including planning and zoning which applies to a particular parcel of land as of the date of filing of a development plan shall remain applicable to the proposed project for not less than 6 years after filing.

- **Real Property Tax Credit for Universal Design**
As New York States population continues to age, state and local governments should be encouraging the production of homes that accommodate not only aging-in-place, but visitability and ease of use for people of any ability.

NYSBA is proposing legislation that will offer a \$_____ real property tax credit for the purchase of new home built to Universal Design standards or the retrofitting of existing an home to that standard.

- **Renewal of 421-b Program**
NYSBA continues to support renewal of the 421-b tax abatement program. The new home and renovation tax abatement sunset in 2009. This real property tax abatement is critical to help retain middle class homeowners in New York City and prevent a flight to New Jersey and other adjoining states.
- **Strengthening the Economy Through Business-Friendly Legislation and Mandate Relief**
An economy that supports quality business growth and development to continually provide a variety of worthwhile employment opportunities for the residents of our state will enable New Yorkers in all regions and from all walks of life to pursue and maintain homeownership and preserve livable communities for generations to come.

NYSBA will work with like-minded small business organizations to support legislation that reduces New York State's overwhelming tax burden, out of control spending, and unfunded mandates.

For 2012, The New York State Builders Association Opposes:

- **Expansion of State Wetlands Jurisdiction**

NYSBA opposes increasing state wetlands jurisdiction. Wetlands are currently highly regulated at the federal, state and local levels in many New York municipalities. There is no "loophole" to be closed, as the state currently has the capacity to regulate wetlands of any size if they are of unusual local importance (ULI).

Wetland regulations, particularly buffer zones, can prohibit development of much larger "dry" areas outside of the wetlands when such regulations are considered in the context of other regulatory schemes such as setback, stormwater and septic requirements. Further expansion of existing multi-layered wetlands protections will continue to decrease potential development and redevelopment sites, thereby increasing land costs for lots that retain viable building footprints.

- **SEQRA Citizen Suit Legislation**

Regardless of recent court successes, we believe that environmental groups will continue to push legislation that would effectively deputize such activist groups to bring lawsuits under SEQRA on behalf of the public at large. The DEC or the lead public agency in the SEQRA process is charged with executing the public trust. This effectively transfers the mantle of protection of the public interest to groups not required to operate in the public interest.. Unlike a nuisance suit where a plaintiff experiences direct damage to his property, this is directed at injury in a very generic or ephemeral sense.

- **Unnecessary changes to real property tax assessment of condominiums and cooperatives**

NYSBA continues to oppose legislation that would dramatically increase taxes for new condos and cooperatives by changing the methodology used for tax assessment. It would be unfair and unequal treatment under the law to have new condominiums and cooperatives subject to a formula that yields a much greater assessed value than that of existing condominiums and cooperatives.

- **Expanding Prevailing Wage into Residential Construction**

Labor unions continue to push legislation that would require residential construction projects to pay union-scale wages to construction workers.

While exact numbers vary from county to county, prevailing wages can increase the cost of affordable housing development by 30% or more. Deals that are difficult to underwrite today, will become impossible in the future.

There is clearly a shortage of affordable housing in New York State and these “reforms” will only exacerbate the problem because the homebuyer will ultimately incur the additional costs from prevailing wage projects.

- **Community Preservation Tax legislation**

The so-called “Community Preservation Tax” is an additional tax burden that adds to the cost of homeownership and disproportionately hits new residents of the community with the cost of with financing open space purchases that increase land values in a specific area without necessarily benefiting the entire community. Open space acquisition should be funded through a broad based tax.

Summary

It has become perfectly clear to all New Yorkers the importance of the housing industry to our economy. State and local governments should be encouraging homeownership through legislative and regulatory reforms that address the roadblocks that are preventing everyone in this state from participating in the American Dream.

State and local governments must also seriously reform real property taxation and unfunded mandate schemes to ensure New Yorkers’ ability to maintain their own homes; leverage housing assistance programs through statewide coordination; and strengthen our state environment through incentives to encourage builders to “go green.”

These important changes listed above will only come about when our legislators in Albany and local governments across this state finally wake up to the correlation between housing and New York’s economic vitality.