

NEW YORK STATE BUILDERS ASSOCIATION 2025 LEGISLATIVE AGENDA

A BLUEPRINT TO ADDRESS NEW YORK'S HOUSING AFFORDABILITY CRISIS



New York is experiencing a housing shortage that worsens quality of life for New Yorkers across the state and makes it increasingly difficult to attract or keep the people, jobs, and commerce that makes our state strong and thriving.

The origins of this housing shortage are not new or surprising. New York created 1.2 million jobs over the past decade, but only created 400,000 units of housing over that same time period. As basic supply and demand economics would suggest, this has sent prices skyrocketing and helped drive a level of inflation not seen in four decades. Between higher costs and higher interest rates, more and more New York families are finding it increasingly difficult, if not impossible, to purchase or rent a home.

Shelter inflation – rent and homeownership costs – is still rising well above a 5% rate, and for the past year, more than half of overall inflation in the economy has been due to rising housing costs. The only way to effectively tame shelter inflation – particularly with elevated interest rates for both mortgages and development/construction loans – **is to build more attainable, affordable housing.**

But the solutions to housing underproduction are also not new or surprising. NYSBA represents men and women across the state who know how to build new housing effectively and professionally. We stand ready, willing, and able to provide the new homes that will address our shortage and make housing more affordable and attainable for New York's families.

In that spirit, we offer this **five-point housing plan** designed to tame shelter inflation and ease the housing affordability crisis by removing barriers that hinder the construction of new homes and apartments.

FIVE-POINT HOUSING PLAN:

- 1. Eliminate Excessive Regulations**
- 2. Lower Insurance Costs on New Construction**
- 3. Strengthen Pro-Housing Community Incentives**
- 4. Make It Easier for Builders and Homebuyers to Finance New Housing**
- 5. Alleviate Roadblocks to Housing Production**



1. ELIMINATE EXCESSIVE REGULATIONS

We Support The Grandfathering in All-Electric Act S.685 Martinez/A.6327 Woerner

New York State adopted legislation that will prohibit any building under 7 stories in height, built after December 31, 2025, from connecting to fossil fuel generated energy systems or networks. However, what the legislation failed to address is projects that have already been permitted or received approval by a local planning board before 12/31/2025 but won't be completed until after the legislative deadline. By failing to address these specific projects, the state placed a major obstacle in the ability for home production to move forward. This ensures existing developments can proceed when the electrification requirement takes effect without unnecessary economic hardship or delay in housing development.

Oppose SR 488 (Part 000) and A.6708 Bronson

We strongly oppose Senate Resolution 488 (Part 000) and Assembly Bill A6708, as they would dismantle the Public Subsidy Board and significantly expand prevailing wage requirements in many multi-family projects, driving up construction costs and making housing development financially unfeasible. The legislation lowers the public benefit threshold from 30% to 20% and redefines "total construction project costs" to exclude land acquisition and soft costs, artificially inflating the application of prevailing wage. These changes would increase construction labor costs by an estimated 25-30%, making housing projects prohibitively expensive. With already high interest rates, rising material prices, and increasing insurance costs, adding further labor cost burdens will stall new construction.

At a time when housing affordability is at a crisis level, this legislation could worsen the problem by reducing new development and pricing more residents out of the market. While we strongly opposed the original prevailing wage law, we have reluctantly complied. However, this proposal would make an already bad law significantly worse. The Public Subsidy Board is functioning effectively, with most votes being unanimous—there is no justification for dismantling it.

Amend Current Wetlands Regulations (*Bill Pending*)

- There has been deep concern about the potential impacts of the new wetlands regulations (Part 664), which will severely impact housing development across the state. (*See additional materials*). **We ask legislative members to advance legislation addressing:**
 - a. **Grandfathering** clause for projects with prior Jurisdictional Determinations (JDs) or NYSDEC freshwater wetlands permits for five years from 12/31/24 to prevent regulatory bottlenecks that will limit home construction.
 - b. **Redefine urban-adjacent areas** to include suburban areas and areas with existing sewer infrastructure, where homes can be built more quickly to address the state's housing crisis.

Oppose the Sprinkler Mandate (*Bill Pending*)

Although the NYS code council indicated they are not going to move forward with the mandate in detached one and-two family homes, they still plan on moving forward with a mandate for one family town homes that are less than three stories in height. According to the 2024 study conducted by Asterhill Research, **between 2019 and 2023, the data shows that in all one and-two family homes in New York State, there were zero fire fatalities in homes built after the year 2000.** NYSBA opposes this townhouse mandate as it unnecessarily increases costs without demonstrated safety benefits. (*See additional materials*)

2. LOWER INSURANCE COSTS ON NEW CONSTRUCTION

We Support S5231 Comrie/A3800 Weprin - Establishes the Crime of Staging a Construction Site Accident

New York is facing a disturbing rise in staged accidents on construction sites for the purposes of insurance fraud. These fraudulent acts have emerged as a pervasive insurance scam leading to inflated costs in construction and housing throughout New York State.

Fraudulent staged accidents have led to a surge in insurance costs for construction projects and housing. Contractors and developers have become burdened with exorbitant insurance premiums which are ultimately passed down to consumers and result in higher housing expenses for New Yorkers.

NYS Department of Financial Services (DFS) to Study Insurance Rising Costs on Industry Legislation *(Bill Pending)*

Across the country, owners of houses and apartments have contended with high rates, loss of coverage and limited choices. The trend is being pushed by worsening disasters fueled by climate change, increased rates insurance companies have to pay to insure themselves and rising costs related to inflation. However, information suggests that New York's already high insurance rates are growing at a faster pace compared to other places around the country. At stake is the health of the housing market and New Yorkers' ability to afford their homes. It is imperative that DFS conduct a study of the growing insurance rates in this state and as the regulator of this industry and provide solutions to address this growing problem.

3. STRENGTHEN PRO-HOUSING COMMUNITY INCENTIVES

THE PROBLEM

Housing production must increase significantly to adequately address New York's housing crisis. Increasing density and shortening the approval process must be the goal if housing production is to increase rapidly. Municipalities that are serious about increasing housing production need to take action to reform their zoning to achieve their desired result: **more housing that is affordable and attainable**. Housing density allows greater affordability and attainability.

THE SOLUTION

- The state has set up the Pro-Housing Communities program to create incentives for municipalities who reach particular housing growth targets. The program has been very successful, with hundreds of communities statewide joining the program and hundreds more in the process of applying. **The homebuilders of NYSBA support providing more benefits to forward-thinking communities** that have embraced the call to action to be part of the housing solution through policies that will give them the best possible change to meet their housing goals and avoid regulatory roadblocks and delays that could cause them to fall short, through no fault of their own. *(See additional materials)*
- Support the executive budget proposal of an additional \$110 million in funding to cover infrastructure and planning costs for Pro-Housing Communities

4. MAKE IT EASIER FOR BUILDERS AND HOMEBUYERS TO FINANCE NEW HOUSING

We Support S.256 Martinez/A.5557 Jones - Provide Clarity on the Authority of Industrial Development Agencies to Engage in the Development of Housing Projects

The lack of available housing in New York State has led to housing projects becoming a central focus of policy and development efforts. While many industrial agencies (IDAs) already engage in housing development, some have been hesitant to do so due to ambiguity in the current law. The lack of clarity in various sections of the General Municipal Law and the Public Authorities Law governing IDAs has created a barrier to expanding housing options in the state. By clarifying IDAs' authorization to engage in housing projects, **this legislation will promote increased investment in housing development**, which is essential to addressing the current housing crisis and ensuring the long-term growth and vitality of our communities.

We Support The Home Act S.3150 Cooney/A.787 Solages - Down Payment Assistance Program for Homebuyers

This bill, known as the Home Ownership Market Expansion Act, or HOME Act, would create a first time home buyer grant program. This program would complement federal efforts by providing an additional \$10,000 for New Yorkers to assist with costs for first time homeowners. It's our responsibility to take action on all levels of government to help our communities achieve the American dream and New York has a unique opportunity to lead the way.

We Support S.1157 Cooney/A.5098 Ramos - Expand SONYMA Programs

Support S.1157/A.5098 that would create a homebuyer savings program similar to education savings accounts, helping individuals save toward home purchases.

5. ALLEVIATE ROADBLOCKS TO HOUSING PRODUCTION

THE PROBLEM

Even when the decision makers for a city, town, or village have approved of a housing project, there can still be a number of regulatory or procedural roadblocks that lengthen the time between the project being approved and the new home being able to open its doors to its new owners or renters. Required review with state regulatory agencies including the Department of Transportation, the Department of Environmental Conservation, and others can cause delays and slowdowns in housing production, even if the municipality is willing and anxious to move forward, as can delays with electrical hook-ups and sources of heat from local utilities. Finally, delays and inefficiencies with local building departments can hold up housing production, even when all other hurdles have been cleared. Delays are not merely inconvenient – they often add costs to the project, further impacting affordability.

THE SOLUTION

Require DEC, HCR and DOT to provide a single point-of-contact for permit assistance to expedite permits for housing projects for Pro-Housing Communities. *(No bill currently exists – could be done by Executive Order or regulation)*

Pro-Housing certification status requires cities, towns, and villages to produce a certain number of building permits and to achieve certain percentages of housing growth, including by submitting data to the state Division of Homes and Community Renewal on a regular basis. However, some elements of the review process can get bogged down by DEC's participation in SEQRA, DOT if any traffic impact to be mitigated involves a state road, etc. We recommend each agency have a single point of contact assigned to help expedite the review of housing applications within certified Pro-Housing Communities municipalities. The point-of-contact would be available to field inquiries from municipal officials, from the homebuilder or developer, or both.

Require all utilities that service municipalities that have been designated Pro-Housing Communities to have a single designated point of contact for issues relating to new hook ups for approved housing construction projects.

Utilities that provide services to cities, towns, and villages that have been certified to be participating in the Pro-Housing Communities would be required to provide a single point-of-contact specifically for new housing projects within those communities to triage problems and expedite work necessary to supply electricity and sources of heating for new housing. The point-of-contact would be available to field inquiries from municipal officials, from the homebuilder or developer, or both. Utilities would be required to report on what steps they have taken to facilitate new housing production in Pro-Housing Communities specifically and across their service area in general and submit that report as part of the supportive material they file with the Public Service Commission when seeking a rate increase. The point-of-contact would be available to field inquiries from municipal officials, from the homebuilder or developer, or both.

Require municipalities to create a fast-track expedited review timeline for green, sustainable, energy-efficient housing and transit-oriented development.

The New York City Planning Commission established a new city rule to establish a Green Fast Track in 2024 designed to streamline the environmental review process for small- and medium-sized residential developments. This new rule is estimated to cut up to two years and \$100,000 of red tape. The Green Fast track only applies to eco-friendly residential buildings that must have specific sustainable features including: a cap on the total number of residential units being constructed based on the zoning district; the housing must use all-electric heating instead of fossil fuels for heat and hot water; the housing must be located away from major roads and outside the most vulnerable or flood-prone coastal areas; and must meet other specific standards to minimize its impact on the surrounding area. If it meets these definition, the housing project's review and permitting is expedited. Every municipality can establish its own Green Fast Track to determine what eco-friendly, green energy, or climate sustainability features it wants to promote within its communities, what natural resources or otherwise sensitive areas it wishes to protect, and establish a Green Fast Track based on its own local needs.

About the New York State Builders Association (NYSBA)

The New York State Builders Association (NYSBA) was founded in 1951, through partnership with its 14 local affiliates statewide and the National Association of Home Builders (NAHB). NYSBA strives to create a strong business environment and ensure its members' ability to provide quality housing for all New Yorkers. Together, we are **THE VOICE OF THE BUILDING INDUSTRY AT THE NEW YORK STATE CAPITOL.**