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Written Testimony of SEIU 32BJ

2023 Joint Legislative Budget Hearing, Housing

February 17, 2023

**SEIU 32BJ is the largest property services union in the nation representing 175,000 members across 11 states and Washington, DC., including more than 85,000 members in New York State.**

The health of the residential real property sector and the supply of affordable housing are vitally important issues to 32BJ’s members and their families. 32BJ members are the backbone of the multifamily housing sector in New York City and surrounding localities – we are doormen, porters, maintenance technicians, superintendents, window cleaners and other essential building service workers. 32BJ members have won strong contracts that have raised wage and benefits standards in our industries, but like many working families, are still confronted by the lack of affordable housing located near centers of employment.

The union applauds Governor Hochul for correctly identifying the urgent need to increase housing production in our State and for proposing a number of worthy measures to this end in the Executive Budget. The union is pleased to provide comments on a number of these proposals below, with particular focus on the role the State should play in incentivizing the creation of good building service jobs throughout.

Education, Labor and Family Assistance, Article VII Legislation (ELFA) Part F, Promote New Housing Statewide through Local Growth Targets and Fast Track Approvals

The union supports the goal of ensuring all localities do their part to increase housing production, including affordable housing, and to overcome supply constraints caused by exclusionary zoning practices. It is important to note, however, that local land use approval processes, such as New York City’s uniform land use review procedure (ULURP), have played an important role in shaping projects to better meet community needs and to ensure developers meet community expectations with respect to a project’s workforce.

Under the proposed measure, the “fast-tracked” approval process and narrow scope for the review and appeal of projects in non “safe-harbor” localities, would remove the incentive for developers in these locations to engage constructively with community stakeholders, including labor unions. This could result in depressed labor standards on projects approved under the fast-tracked procedures. Any measure that allows “fast tracked” projects to circumvent established local land use approval processes must require that building service workers employed on the site receive no less than the relevant prevailing wage and benefits.

ELFA, Part G, Encourage Transit-Oriented Housing Development

The union supports increased production of housing near transit stations but strongly urges that any transit oriented development proposal include strong requirements for affordable housing and building services worker job standards. Low and middle income families are in desperate need of affordable housing and good jobs accessible to public transit.



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It is notable that is the TOD proposal has no specific affordability requirements or incentives that support the inclusion of affordable units in the “qualifying projects” that stand to benefit from both amended density rules and a streamlined review process. It is also unclear how the proposed plan would interact with other proposed and existing policies, including Mandatory Inclusionary Housing (MIH) in New York City. The aggregate boundaries of the proposed tier 1 zones make these concerns particularly acute in New York City, where there is a significant density of corresponding transit stations. Any proposal intended to promote transit orientated development (TOD) should support affordable housing production and operate in a way that does not undermine local policies that do so, such as Mandatory Inclusionary Housing (MIH) in New York City. Further, it is unclear how the TOD proposal is intended to interact with the fast track measures contained in Part K, including both the applicable review mechanisms and the affordability requirements that are contained in Part K but not here.

As with Part F, the union is also concerned that any measure that would result in projects being reviewed and approved against a narrow criterion without the same capacity for stakeholder engagement that might otherwise exist, may result in weaker labor standards. Any measure to promote and streamline TOD projects should be amended to include a prevailing wage requirement for building service workers.

**ELFA, Part J, Create Greater Opportunities to Convert Office Spaces to Residential Housing and Part P, Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing**

The union supports the measures proposed in Part J that would facilitate the conversion of commercial space to residential use in New York City. Easing the current restrictions that impede conversions will provide the market with greater flexibility and may help to create more housing in core employment zones.

32BJ strongly supports the language in this section that requires building service worker prevailing wage requirements within the proposed tax incentive program in Part P. Such a requirement will help to ensure that any newly created jobs in converted buildings meet the wage and benefit standards that prevail across the New York City residential sector. It is also consistent with other policies that ensure that public spending supports family sustaining jobs.

The union will provide proposed legislative text that makes a number of necessary amendments to this section. These changes are intended to clarify the application the prevailing wage requirement, ensuring no workers are unintentionally excluded, and to aid compliance.

**ELFA, Part L, Authorizes New York City and the New York State Urban Development Corporation to Override the Floor Area Ratio Requirement**

The union supports the long-awaited and sensible step to enable the permitting of residential developments in New York City that exceed an FAR of 12.0. If adopted, the measure will help to boost housing supply by allowing increased density. Importantly, local zoning processes will be retained in the proposed language, which will help to ensure projects continue to be shaped by community and stakeholder engagement.



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ELFA, Part N, Establish a Local Option Tax Incentive for Affordable Multi-Family Housing

32BJ recognizes that the urgent need to increase housing supply and boost affordable housing production warrants the use of tax incentives. As stated in our comments below, we strongly support a new program to replace the expired 421a abatement, which made similar tax incentives available to projects within defined areas of New York City, prior to programs sunset in June 2022. If used effectively, the ability for localities outside of New York City to designate “beneficial areas” within which new residential projects would receive tax exemptions, could help to stimulate and shape development.

This proposal is incomplete however without an accompanying requirement that benefiting projects adhere to strong labor standards that will result in quality building service jobs. Without such a requirement, there is a risk that new permanent jobs at any larger, staffed buildings constructed in beneficial areas would provide inferior wages and benefits than the established industry norms in the relevant geography. This risk is heightened in denser downstate localities that have an existing presence of large multifamily buildings and where the union has been able to raise standards through contract bargaining - tax incentives should not serve to undermine these standards and send workers backwards.

ELFA, Part O, Extend the Project Completion Deadline for Vested Projects in Real Property Tax Law 421-a by Four Years

32BJ supports the inclusion of this measure in the Executive budget and urges both houses to support it. The pipeline for affordable housing, and new housing more broadly, in New York City is highly dependent on the completion of projects that have vested for benefits under the 421a program, but not yet started construction. Without the extension, the future of upwards of 70 projects, expected to produce over 30,000 units, would be at risk.

Extending the completion deadline for these projects will also secure approximately 500-1,000 new, family sustaining building service jobs thanks to the prevailing wage requirement attached to the 421a program. These are exactly the kind of jobs that New York desperately needs more of – jobs that don’t require a college degree but provide a rewarding career trajectory and a pathway to the middle class.

32BJ wishes to emphasize to all stakeholders the importance of passing into law a new tax abatement program akin to the expired 421a program. Between 2010 and 2020, 421a supported the production of more than 117,000 housing units or 68% of total unit production in the city. The prevailing wage requirement attached the program also resulted in the creation of thousands of quality building service jobs and helped to uphold the industry standards fought for and won over the years by 32BJ members.

32BJ is committed to working with all stakeholders to progress a revised program that will support the ongoing production of housing in the city, while ensuring all benefiting projects adhere to high road labor standards and create good jobs for the next generation of building service workers.

We thank the Legislature for the opportunity to provide these comments and we look forward to a fruitful dialogue on these important matters. If you have any questions, please contact Political Coordinator Deandra Khan at [dkhan@seiu32bj.org](mailto:dkhan@seiu32bj.org) or (929) 208-9181.