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## Testimony on Reforming New York’s State Environmental Quality Review (SEQR) Process

Submitted to New York State Senate Standing Committees on Finance; Environmental Conservation; and Energy and Telecommunications; and New York State Assembly Standing Committees on Ways and Means; Environmental Conservation; and Energy

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The Citizens Budget Commission (CBC) strongly supports Governor Hochul’s three-prong proposal to reform New York’s State Environmental Quality Review (SEQR) process:

- Exempting modest residential development from SEQR would make building housing cheaper and faster without additional costs to the government;
- Exempting water facilities, parks, and resiliency retrofits similarly would reduce the cost of projects that improve the environment; and
- Imposing deadlines on State and local agencies to sign off on environmental reviews would ensure reasonable and predictable timelines and avoid the death spiral of mounting cost increases and uncertainty that too often prevent critical housing from being built.

Modernizing environmental review can generate substantial benefits. CBC’s research on the [land use review process](#) in New York City found that local environmental review increases development costs for 500-unit projects by 11 percent, or [\\$82,000 per unit](#), due to inflation incurred during the time of review, as well as additional costs for lawyers, engineers, and consultants.

New CBC analysis finds that residential projects in the rest of the state face similar cost escalation. Environmental review can increase costs by 10 percent even for the modest, low-rise projects that Governor Hochul proposes to exempt. That can add \$35,000 per unit in cities like Rochester or Buffalo, \$40,000 per unit in the Mid-Hudson region, and \$45,000 per unit on Long Island—potentially enough to make a project infeasible in markets with lower rents than New York City.

For the projects that would still be subject to SEQR, imposing deadlines for completing reviews would increase certainty and reduce the risk of cost overruns. For every year that environmental

review drags on, costs increase by 5 percentage points—that's a 10 percent increase due to a two-year delay, potentially growing to a 25 percent increase by the fifth year.

Let us be clear: New York is one of just seven states that subject land use approvals to environmental review. Other states with similar environmental review requirements, including California, Washington, Massachusetts, and Hawaii, have already enacted reforms to boost production. Enacting Gov. Hochul's common-sense proposal would wisely add New York to that list.

SEQR reform is a smart choice for New Yorkers that will encourage the development of much-needed housing and infrastructure, save money, and make New York a more affordable and resilient place to live and do business.