



Testimony of Patrick McClellan, Director of Policy, New York League of Conservation Voters

Before the New York State Senate Committees on Finance; Commerce, Economic Development, and Small Business; and Investigations and Government Operations

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Thank you to Senator Krueger, Senator Kaplan, Senator Skoufis, and members of the Committees on Finance; Commerce, Economic Development, and Small Business; and Investigations and Government Operations for the opportunity to testify today. My name is Patrick McClellan and I am the director of policy for the New York League of Conservation Voters (NYLCV), a statewide environmental advocacy organization.

There are two topics I will direct my testimony to today - the Brownfield Cleanup Program, and tax expenditures that prolong New York's dependence on fossil fuels.

Brownfield Cleanup Program (BCP) and Brownfield Opportunity Area (BOA) Program

The Brownfield Cleanup Program and its associated tax credits, which was last amended and reauthorized in 2015, is set to expire this year. NYLCV strongly supports a 10-year reauthorization of the BCP because it is one of the most important tools we have to remediate environmentally contaminated sites, having been used to remediate 452 sites in every county of the state just since 2015. According to a 2021 report from NYU's Schack Institute of Real Estate and the New York City Brownfield Partnership, more than 40 BCP projects have been on or within the Hudson River watershed, meaning that the program has been an important part of the decades-long project of improving water quality in the Hudson River.¹

When the BCP was last reauthorized in 2015, the program was tweaked to allow only four project types in New York City: affordable housing, projects in neighborhoods that have high poverty and unemployment, sites where the cost of remediation is higher than the value of the land, and sites that are in underutilized areas. NYLCV supports keeping these measures in the next reauthorization of the BCP as a way to smartly tailor the program toward the highest needs in NYC. I will note for the members of the committees who represent the city that these changes

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[https://www.nycbrownfieldpartnership.org/resources/Documents/Letters/NYCBP%20Hersh%20BCP%20Study%20FINAL%20\(2\).pdf](https://www.nycbrownfieldpartnership.org/resources/Documents/Letters/NYCBP%20Hersh%20BCP%20Study%20FINAL%20(2).pdf). All other statistics about the BCP in my testimony are also drawn from this report unless otherwise noted.

also mean that more BCP projects are located in Brooklyn, Queens, and the Bronx than in earlier iterations of the program.

In Western New York, which has a very large number of contaminated sites due to a heavily industrial economy in the 20th century, 269 BCP projects funded with \$325 million in tax credits have created jobs, improved the Buffalo area's economic growth, and helped to slow suburban sprawl by revitalizing the urban core. That means that these projects did not just remediate environmental contamination but also avoided greenhouse gas (GHG) emissions that otherwise would have occurred had the projects built on these sites instead been built further from the urban core. The climate and air quality benefits of infill development made possible by the BCP mean that New Yorkers are getting a regional public health benefit from the program beyond the site-specific health benefits from remediating contamination.

While I am not an expert on affordable housing or economic development, nor are those issues central to NYLCV's policy agenda, I think it is worth noting when discussing the BCP that it has helped create more than 6,400 units of affordable housing in New York City alone, generates \$6.63 in private investment for every \$1 in tax credits for a total of \$17.6 billion in economic activity, and effectively creates good jobs.

I would also like to touch on the Brownfield Opportunity Areas program. BOAs are areas with a concentration of brownfields, often in neighborhoods that have also been impacted by environmental racism. BOAs are eligible for grants from the State for community-led redevelopment, with eligible activities including community vision and and public participation processes, site-specific contamination assessments and redevelopment plans, and infrastructure improvement studies.² There are currently 122 BOA study areas and 62 certified BOAs in New York. BOA grants are funded through the Environmental Protection Fund (EPF), which in last year's budget included \$1.75 million for BOAs. NYLCV supports increasing BOA funding to \$10 million per year and tweaking the grant requirements to allow for additional pre-development community projects. I'll also note that NYLCV and many other environmental groups in New York are this year asking for the EPF to be increased to \$500 million, which would make things like a stronger investment in the BOA program much easier to accomplish.

Tax Expenditures for Fossil Fuels

In 2020 NYLCV partnered with the Citizens Budget Commission to produce a report on New York State's tax expenditures, economic development programs, and direct state spending that benefit fossil fuels.³ These spending categories include more than \$800 million in tax benefits that directly subsidize the use of fossil fuels, \$724 million in tax expenditures that could be better tailored to discourage fossil fuel use in economic development projects, \$1.8 billion in economic development grants that do not have any language to discourage fossil fuels, and more than \$5 billion in school aid that makes no effort to assist school districts in decarbonizing their buildings and transportation systems. This is a complex topic and there are many ways of

² https://dos.ny.gov/system/files/documents/2020/03/dos-boa-fact-sheet_2020.pdf

³ <https://cbcny.org/research/aligning-crossed-policy-wires-can-help-achieve-clcpa-goals>

approaching it. For example, Governor Hochul's State of the State book includes a proposal to require all school buses in the state to be fully electric by 2035, and to use school aid to help accomplish this, which is a big step in the right direction and something NYLCV is very enthusiastic about. Another approach is Senator Krueger's Fossil Fuel Subsidy Elimination Act, which targets some of the above-mentioned loopholes in our tax and economic development laws, and which NYLCV is also enthusiastically supportive of.⁴

Thank you again for the opportunity to testify today. I would be happy to answer any of your questions and look forward to working with you to address some of these issues in this year's state budget process.

⁴ <https://www.nysenate.gov/legislation/bills/2021/S7438>