Thank you, Chairman Cymbrowitz, and members of this committee for the opportunity to participate in today’s hearing regarding how New York State could repurpose vacant and underutilized real estate to create more affordable housing units.

NYSAFAH is the trade association for New York’s affordable housing industry statewide. Its 375 members include for-profit and nonprofit developers, lenders, investors, attorneys, architects, and others active in the financing, construction, and operation of affordable housing. Together, NYSAFAH’s members are responsible for most of the housing built in New York State with federal, state, and local subsidies and incentives.

We would first like to thank the Assembly, the Senate and the Cuomo Administration for their collective commitment over the past several years to develop and preserve thousands of units of affordable housing. While significant challenges remain, we believe that tremendous progress is being made to provide more and more New Yorkers with safe, quality housing. This effort culminated just a few years ago with the $2.5 billion 5-Year Housing Plan which is making a difference for thousands of families throughout the state and we believe your ongoing support will be viewed for years to come as a watershed moment when New York truly and definitively addresses our pervasive housing crisis.

Even with the current 5-Year Housing Plan and the anticipation of a new 5-year plan, we will need to identify ways to increase affordable housing production, especially in high density communities where land is scarce and new construction is extremely expensive when compared to retrofitting an existing structure. Retrofitting in some communities across the state will allow for neighborhoods to retain their existing look and feel. In others, it is the chance to create housing in high density areas close to transportation and other amenities. Repurposing underutilized buildings is at the heart of sustainability by reusing the land and structures to create affordable housing with less impact on the community and environment.

This Fall, RentCafe released a study that reviewed commercial-to-residential conversions and found that conversions are at an all-time high. Nationally, over the last decade, 778 buildings have been converted in apartment housing. Of that number, 65% were aimed at middle (23%) and low-income (42%) renters. In New York over the last
10 years, cities such as Buffalo saw 15 buildings converted into 1,254 units of housing and New York City converted 73 buildings into 18,488 apartment units.

Prime examples of this type of conversion over the last decade are Eastman Gardens in Rochester and El Barrio’S Artspace PS109 in Manhattan. Originally constructed in 1917 as The Eastman Dental Dispensary, the building was left vacant for years before being converted into an affordable senior housing community that retains many of the features that make it such a historic site. Similarly, El Barrio’s Artspace PS109 transformed an abandoned public school in East Harlem into an arts facility with 90 units of affordable live/work housing for artists and their families, as well as 10,000 square feet of complementary space for arts organizations.

During the mid-1990s Lower Manhattan saw several commercial-to-residential conversions aimed at revitalizing the area. These neighborhoods integrated residential living in what was otherwise an area only active between 9 to 5 working hours. Today it is not only an opportunity to build affordable housing, but also to create a fairer, more inclusive city by providing opportunity for lower income residents to live in areas with better transportation, education, arts, and amenities.

To do this right, we will need to implement requirements that prioritize affordable housing and that ensure zoning, capacity, air, and light regulations will accommodate this type of retrofit. Most importantly, we will need to identify new funding sources that do not diminish or compete with existing housing funds, which are already in high demand and need.

We are hopeful that initiatives like the recently enacted Climate Leadership and Community Protection Act (CLCPA) may provide bonding opportunities that will leverage new resources to decrease the carbon footprint of our existing building stock through sustainable conversions to affordable housing. NYSAFAH members are ready to prioritize such conversions in their portfolio of projects in cooperation with the Assembly and our government partners.

Thank you again for the opportunity to testify today. As always, the affordable housing industry stands ready to work with the Legislature and Cuomo Administration to find new and innovate ways to address the state’s affordable housing crisis.

**Contact:** Jolie Milstein, NYSAFAH President and CEO, at jmilstein@nysafah.org and (646) 473-1208.