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kavanagh@nysenate.gov

March 7, 2022

Honorable Andrea Stewart-Cousins
Majority Leader, New York State Senate
Legislative Office Building, Room 907
Albany, NY 12247

Honorable Carl Heastie
Speaker, New York State Assembly
Legislative Office Building, 932
Albany, NY 12248

Re: Support for Hotel and Commercial Conversion Regulatory Relief

Leader Stewart Cousins and Leader Heastie:

We are all still working to understand the full impact of the devastation brought by the COVID-19 Pandemic. However, there is no obscuring the reality of the housing and homelessness crisis that existed before the pandemic and the fact that it was only made worse by it. It is in this moment that we urge the legislature to pass proposed regulatory reforms to facilitate the conversion of hotels to permanent housing to make more homes available to New York's residents.

Governor Kathy Hochul's Executive Budget includes a proposal that will spur affordable housing growth in high opportunity areas by easing restrictions on converting hotels and offices into housing. Incorporated into the Executive Budget as the Creating Housing Opportunities through Building Conversion Act, the proposal allows certain Class B hotels located within or near a residential zoning district to retain and continue to comply with their existing certificates of occupancy (coo) for permanent residences. The bill also allows for the conversion of office buildings constructed before 1980 (or any applicable buildings located south of 60th Street in Manhattan) into affordable residential; this portion of the policy applies only until 2027.

New York City added more than 21 thousand hotel rooms from 2015 to 2019, a 40 percent increase from the preceding five-year period. However, the pandemic's altering of established patterns of activity and environment for New Yorkers, visitors, and businesses, including office building occupancy, presents new real estate possibilities. But currently, zoning and regulatory hurdles stand in the way. Regulatory and zoning obstacles hindered efforts to convert some of New York City's more than 700 hotels into housing over the past two years, leading instead to many being converted to temporary shelters.

Combined with an allocation of new additional capital dollars to the recently created HONDA fund, this bold regulatory relief proposal will allow for the flexibility necessary to respond to a moment of great change. During the pandemic, government agencies in California, which faces a similar housing affordability crisis as NY, prioritized the creation of housing opportunities. The state passed regulatory relief and allocated funding that helped convert 103 hotels, motels, and commercial properties into housing, creating 4,863 permanent units for a total of 8,264 residents experiencing or at risk of homelessness. By following the lead of California, New York can make it easier for developers to respond changes to the market brought on by Covid-19's impact.

Sincerely,



Rachel Fee
Executive Director
New York Housing Conference

In partnership with the following organizations:

Supportive Housing Network of New York (SHNNY)

Gateway Housing

Regional Planning Association (RPA)

Leading Age New York

LiveOn NY

Open New York

New York State Association for Affordable Housing (NYSFAFH)

Enterprise Community Partners

Citizens Housing & Planning Council (CHPCNY)

CC: Honorable Brian Kavanagh
Legislative Office Building
Room 512
Albany, NY 12247

Honorable Steven H. Cymbrowitz
Chairman, Assembly Housing Committee
Legislative Office Building, Room 943

Albany, NY 12248