

May 23, 2022

Hon. Kathy Hochul
Governor of New York State
Capitol Building, 2nd floor
Albany, NY 12224

Hon. Andrea Stewart-Cousins
President Pro-Tempore, New York State Senate
172 State Street, Capitol Building, Room 330
Albany, NY 12247

Hon. Carl E. Heastie
Speaker, New York State Assembly
Legislative Office Building, #932
Albany, NY 12248

Dear Leaders of New York State:

We write to urge the three of you to work together to pass A6262A/S4937C, legislation that provides the targeted regulatory relief necessary to facilitate the conversion of empty hotels distressed by the pandemic into deeply affordable *permanent* housing for formerly homeless and low-income individuals and families in New York City.

We are a diverse coalition of housing policy experts, nonprofit service providers, homeless and housing advocates, affordable housing developers and New Yorkers experiencing homelessness who have joined together to urge you to take this modest action to respond to the city's growing homelessness crisis.

New York City's severe housing shortage is the primary contributor to the widespread homelessness the city is experiencing today. This shortage persists despite record spending on affordable and supportive housing production, because there just aren't enough economically viable sites on which to build affordable housing.

Distressed hotels closed by the pandemic offer a fresh development resource that can provide new, deeply affordable housing units over and above current production, at roughly half the cost and in a third the time required by most new construction affordable housing projects.

We deeply appreciate the Assembly's passage and funding of the Housing Our Neighbors with Dignity Act (HONDA). The \$200 million appropriated to date to the HONDA fund can help finance the conversion of distressed hotels into hundreds of units of affordable housing.

But to date, not one dollar of HONDA funding has been allocated to any hotel conversion projects, because the City of New York cannot provide the regulatory relief itself that is necessary to make such conversions predictable and cost-efficient.

Meanwhile, since the pandemic began, the State of California has already initiated the acquisition and conversion of over 100 hotels into more than 6,000 units of permanent affordable housing, precisely because it provided regulatory relief similar to A6262A at the same time it allocated funding for conversions. During the same time period, New York City has begun the conversion of just one hotel to affordable housing.

The State can act on behalf of the City, by passing A6262A to amend the New York State Multiple Dwelling Law (which applies only to New York City) to allow hotels to be used as affordable housing while retaining their existing Certificates of Occupancy. This builds on decades of precedents that: 1) provided rent stabilization protections to long term residents of Single Room Occupancy (SRO) hotels; 2) allowed conversion of light industry lofts into residences; and 3) led to unviable hotels being converted in the 1990s to the first flagship supportive housing residences, including the Times Square and the Prince George.

The bill empowers local government and provides multiple safeguards to ensure the creation of high-quality housing that fits in with the surrounding community, by requiring the housing be:

- Affordable to formerly homeless and/or low income households;
- Subject to approval by (and a regulatory agreement with) NYC HPD;
- Operated by a responsible nonprofit service provider;
- Occupied by permanent tenants with leases and rent stabilization protection;
- Approved for conversion by a union (if subject to collective bargaining);
- Inside or within 400 feet of a zoning district that allows residential uses;
- Outside of areas designated by the City as Industrial Business Zones.

These carefully crafted protections ensure that local control of zoning and the housing code is maintained. The legislation would enable the City of New York to approve the conversion to housing only of existing hotels that conform with these safeguards. To be rezoned, a hotel would still be required to go through the Uniform Land Use Review Process (ULURP). Hotels that already meet hotel codes (which often have more stringent fire safety and other requirements than housing codes do), could now be converted to housing, despite having issues like having rooms slightly smaller than what is allowed by housing codes. With the City's approval, they could thus avoid lengthy and expensive gut rehabilitations, and instead be quickly converted, with minimal structural changes.

Assembly Bill A6262A is a measured, commonsense response to the homelessness crisis facing New York City. It has been drafted with the input of every stakeholder group affected by this issue. That is why it has the enthusiastic support not only of homeless advocates and the affordable housing development community, but also of the Hotel Trades Council, industrial areas advocates, community leaders, the Hochul administration, the Adams administration and the New York City Council.

We ask the Assembly to join with the State Senate to pass A6262A before the end of the 2022 legislative session. With passage of the bill, hotels that at present can be converted as-of-right to homeless shelters can instead be converted to permanent affordable housing, further reducing the need for additional shelters. We don't have time to waste: the window on this once-in-a-generation opportunity to create new affordable housing is rapidly closing.

Thank you for your support,

Gateway Housing
Housing Justice 4 All
New York Housing Conference
Supportive Housing Network of New York
VOCAL-NY
Citizens Housing and Planning Council
Community Service Society
Regional Plan Association
Volunteers of America – Greater New York
Barrier Free Living
New Destiny Housing
Enterprise Community Partners
The Doe Fund
Citizens Committee for Children
RiseBoro Community Partnership