

A BREAKDOWN OF TOP PRIORITIES AND RECOMMENDATIONS FOR THE BUILDING INDUSTRY

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A MESSAGE FROM OUR CHAIR, AND PRESIDENT & CEO

It is impossible to overstate the hard work and perseverance exhibited by the building industry over the past few years. In the face of pandemic uncertainties, rising material costs, and failures in our global supply chain, the members of the Building Congress have met these challenges head on, building critical pieces of infrastructure and spurring economic development across New York and the entire region.

This year, against all odds, construction activity soared. Spending and permitting in New York were sky-high, as Building Congress members worked to build homes for our families, offices for our workforce, and schools for our children. We built cultural institutions, mass transportation and other infrastructure projects, healthcare facilities, communication networks, parks, and so much more. With the passage of the federal infrastructure bill, and New York voters' recent approval of the \$4 billion Environmental Bond Act, we are eager to see the industry achieve even higher heights, building a stronger New York together. However, over a year has passed since the passage of the Infrastructure Investment and Jobs Act (IIJA) and the federal government must begin investing these funds into sorely needed projects and repairs, stewarded by the expertise of our members, to rebuild our aging infrastructure. We as an organization are fighting hard for just that and will lead the discussion.

But our members do not operate in a vacuum. We are excited to work with our partners in government to streamline the land use review process, increase as of right zoning capacity for building projects, and create incentives for development as the city faces a desperate housing crisis. The city's population has increased by more than 625,000 in the previous decade, while we have added only 206,000 units. Without an immediate and comprehensive combination of financial incentives and improved zoning flexibility, our housing crisis will only intensify.

We cannot wait to roll up our sleeves and get to work shoulder-to-shoulder with our elected officials to create policies that will maximize growth, eliminate unnecessary barriers, and secure a prosperous future that all New Yorkers can share in.

To that end, we are pleased to share our 2023 Policy Agenda, detailing how the Federal Government, New York State, and New York City can support our industry and the region's economy, and provide good-paying jobs to our workforce. The New York Building Congress is proud to continue its advocacy on behalf of our members, and we look forward to another exciting year to come.

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HOUSING

New York City continues to face a growing housing shortage, with a gap between available housing units and our city's population expected to reach well over half a million units by 2030. A strong job market and rebounding economy is helping keep New York City a destination for job seekers and creators alike, introducing thousands of people to an already tight housing market for both owner and renters. With the expiration of the 421-a subsidy in 2022, home builders lost an essential tool for supporting affordable housing development within the five boroughs.

The Building Congress is laser focused on housing as a key component of our 2023 Policy Agenda, aiming to reverse the course of New York City's housing deficit and will advocate tirelessly for a broad range of policies aimed at increasing our supply for families at all income levels.

As such, we support the following:

New York State:

 An incentive program for affordable housing development that replaces and improves upon the 421-a subsidy. Families in New York deserve to live in a home that they can afford, and public housing developments only meet a part of this need. Without a state-level tax incentive for the private sector to construct affordable housing, many units that might have been built will no longer make financial sense for businesses to



construct. While this is being finalized, the state must extend the 421-a deadline through 2028.

- Zoning for affordable housing. Affordable housing developments must be allowed as-of-right for any district or municipality that has less than 10% of its housing stock at below-market rent.
- Transit-Oriented Development. It is essential that transit expansion projects be developed through a comprehensive masterplan that considers housing, education, and culture. Transit-Oriented Development (TOD) must be made a priority for zoning decisions in neighborhoods that remain under resourced and underserviced, despite their close proximity to public transportation.
 - One example of a new TOD policy that can be used as a model is a recent Massachusetts zoning act referred to as Section 3A, which sets guidelines establishing as-ofright zoning for multi-family housing production within a half-mile of major transit hubs.



• Remove the state level FAR cap of 12.

New York City:

- Advancing Mayor Eric Adams' bold "Get Stuff Built" policy aimed to tackle our affordable housing crisis.
- Passing the three "City of Yes" proposed Text Amendments — especially Zoning for Housing Opportunity, which eliminates archaic zoning restrictions and reduces minimum parking requirements to allow small-scale housing developments to be built all over the city.
- Initiating comprehensive rezoning initiatives in neighborhoods primed for growth as well as deepening zoning exemptions within special transit land use districts.
- Setting aside dedicated funding and incentives to facilitate the conversion of underutilized commercial spaces to residential uses.
- Elimination of minimum parking requirements.

Bills that did not pass in 2022 that the Building Congress will target for priority in 2023:

- S4547A Accessory Dwelling Units: Encourages and works with local governments to create ADU laws.
- S9565: Prohibits construction of a new multiple dwelling project unless it meets the minimum number of dwelling units required for the lot.
- S7574: Anti-exclusionary zoning.
- S7635 (from 2021): Allows for local zoning boards of appeals to approve affordable housing developments.



INFRASTRUCTURE INVESTMENT AND JOBS ACT

The IIJA, passed with the help of advocacy efforts from the New York Building Congress, is a once-in-a-generation opportunity to invest in our nation's infrastructure. Over the next few years, government spending on infrastructure development is expected to dominate the construction market. Much of this funding has yet to reach New York, and billions of dollars remain unspent, caught in a bureaucratic web in D.C. As a new set of legislators begin their terms in the U.S. Congress, the Building Congress remains optimistic that our elected officials can get to work with a collaborative, problem-solving, and bipartisan spirit to avoid further delays releasing this critical funding.

<u>Specifically, New York Building Congress</u> <u>calls for</u>:

- Faster project approval and release of IIJA funds by federal agencies.
- Expand IIJA education and outreach opportunities to that more entities are able to determine funding eligibility.
- Accelerate the environmental process at the federal level using guidance proposed, but not passed, in the Energy Independence and Security Act.
- Expedite state and city level environmental reviews for projects eligible for IIJA funding.

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ZONING AND LAND USE

For New York to remain economically competitive, resilient, and affordable, essential projects that clearly benefit the public good should not be stalled by an outdated and byzantine zoning and land use process. New York City has not comprehensively revised its city-wide zoning policies since 1961 — before man walked on the moon. We are long overdue for land use policies that meet the needs of a modern, 21st century city.

The Building Congress seeks to expand as-of-right development overall, as well as expedited processes for approving discretionary actions that meet the city's two most urgent needs: increasing our housing stock and building up our climate resiliency. <u>The Building Congress will</u> <u>strongly advocate for the following</u>:

New York State:

• A modernized State Environmental Quality Review Act (SEQRA). Lengthy environmental review processes are designed to prevent negative impacts, but fail to take into consideration net benefits of projects well-known to create positive environmental outcomes (e.g., congestion pricing). The state should broaden exemptions for critical infrastructure, housing, and resiliency projects from environmental reviews for land use actions through an improved SEQRA.

New York City:

- Evaluating development proposals based on net environmental benefits and how well projects meet the goals of NYC's strategic plan.
- Updating, streamlining, and modernizing City Environmental Quality Review (CEQR) reviews.
- Encourage a land use process that balances citywide needs as well as neighborhood concerns via an appeals process or a supermajority vote rather than deference to individual City Council members.



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WORKFORCE TRAINING, SAFETY, AND DEVELOPMENT

To ensure the brightest possible future for all New Yorkers, we must first provide workers with adequate resources to grow in their careers, allowing them to better provide for their families. We also must ensure safe work environments and practices. As our industry faces a growing labor shortage, it is imperative that we provide programs to train the next generation of skilled construction professionals.

Leading this charge, the New York Building Foundation — the charitable arm of the Building Congress — supports STEAM learning programs that educate and train design and construction professionals inside New York's public schools and beyond. Further, the Building Congress seeks to expand and strengthen funding for public programs that provide access to apprenticeships, STEAM education, and job training programs across all five boroughs

Further, the Building Congress calls for:

- Childcare for families in Architecture Engineering & Construction and Providing funding for childcare centers to open at 6 a.m., so that families who need to be on the jobsite by 7 a.m. can have adequate childcare.
- Increasing the number of classes available and subsidizing mandated 40-hour OSHA training courses to enable more workers to enter our industry.
- Continuous examination and expansion of industry policies that promote DEI efforts.
- Expanded training for the adoption of green technologies and strategies to reduce carbon emissions and increase energy efficiencies in buildings.

PROJECT DELIVERY

Today, New York allows for design-build project delivery. This was made possible with the help of successful advocacy efforts from the New York Building Congress and our partners in government. More work needs to be done to expand design-build, as it still faces restrictions and is limited in its capacity. The Building Congress will seek to further modernize New York's public procurement construction laws and expand to even more options that stress adaptability and sound judgement. Choosing the right project delivery method will help reduce costs, improve safety and quality, and decrease project completion times to further deliver essential infrastructure and development projects for the people of New York and the region.

The New York Building Congress will be a strong advocate for improved flexibility in project delivery methods, and capital process reforms <u>including but not limited to</u>:

- Progressive design build
- CM-Build and CM-at-Risk
- Emergency Completion Contracts
- Advance capital planning aimed at a holistic project prioritization and interagency coordination among city agencies.
- Prioritize DDC + OMB's Capital Coordination Task force recommendations focusing on reducing redundancies and a push for standardization.
 - Key element: Removing the Certificate to Proceed approval process out of the critical path for capital projects, saving months of time.



- Revise Procurement Policy Board (PPB) rules to eliminate prescriptive requirements.
- Using the School Construction Authority as an example, transform New York City's Department of Design and Construction into a public authority to help fast-track capital projects by eliminating red tape, providing flexibility in project delivery methods, and ensuring continuous funding streams for capital projects.
- Reevaluating Lowest-Bid requirements for government contracts.



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GOVERNMENT AGENCIES

New York invests billions annually into capital improvement and infrastructure projects, and the Building Congress seeks to promote the most effective use of those dollars. We will advocate for policies to bring about the most efficient and transparent means to improve, maintain, and build our schools, libraries, hospitals, parks, roads and bridges, water and sewer systems, and other core components that ensure an improved quality of life for all residents.

To best achieve these objectives the <u>Building</u> <u>Congress will advocate for the following</u>:

- Improve systems and processes within agencies to provide more timely payments to their contracted partners. Slow payments are often identified as a key impediment that hinders wider participation in public projects by smaller and MWBE firms.
- Advance and broaden MWBE opportunities and develop policies to ensure meaningful economic prospects for MWBE firms.
- Update hiring and promotion processes within New York City agencies, including accelerating OMB's approval process.
- Streamline permit approval and change order processes.
- Combatting Inflation: To avoid lengthy change order processes and/or contract renegotiations, due to rapidly fluctuating material prices, we encourage government partners to buy and store critical materials up front for large scale projects. Also, government contracting agencies should include greater contingency line items to account for material price escalation.

 Policies to improve cooperation and collaboration between government entities at the federal, state, and city level including public authorities whether through memoranda, agreements, or legislation requiring multi-agency approaches to public problems.

RESILIENCY, ENERGY, AND CLIMATE CHANGE

The devastating effects of climate change threaten the lives of New Yorkers and our offices, businesses, infrastructure networks, and housing alike. With the passage of Local Law 97, New York City's building industry leads the nation in combatting climate change through reducing carbon emissions from our buildings. Efforts to reduce carbon emissions in the long term are essential, and must be combined with resiliency measures to meet immediate threats to our city from sea level rise and the devastation caused by storm surges.

The Building Congress will lead efforts to incentivize energy efficient construction and building retrofits, electrify our energy grid with renewables, cleanup toxic sites, promote clean water infrastructure, and

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support resiliency efforts that bolster our shorelines and keep our city safe. <u>Specifically, we support the following</u>:

- Advance and rapidly implement the Environmental Bond Act approved as a ballot measure by voters in 2022.
- Exempt Local Law 97 compliance-based retrofits and decarbonization efforts from FAR caps to allow more space for building efficient energy systems and improved insulation.
- Decarbonize and increase our grid capacity with serious investments in large scale renewables like Offshore Wind.
- Progress the Five Borough Resiliency Plan and the East Side Coastal Resiliency Project.
- Begin planning and design work on the Army Corps of Engineers' proposed system of storm surge gates along coastal areas from Upper Manhattan to Jamaica Bay.
- Implement the Citywide Greenway Master plan which passed in October 2022.



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- Pass Int 0531 Requiring DEP to issue an annual report for water drainage infrastructure.
- Pass Int 0150 to require 40% of parking spaces able to support EV charging.
- Pass Int 680 to determine feasibility of micro parks on vacant city land near highway ramps.
- Pass S9603 (2022) to establish a property tax abatement and exemption for capital improvements that reduce carbon emissions.
- Update regulations to allow 100 percent solar panel coverage on roofs.
- Authorize the New York Power Authority to build renewable power generation facilities.



High quality public transportation has long been viewed as the cornerstone of New York City's economy. The great equalizer, where New Yorkers of all walks of life share a commute. Every \$1 invested in public transportation generates \$4 in economic returns, and we intend to help deliver those returns to hard working New Yorkers who deserve a clean, safe, and affordable public transit system.

IMPLEMENT CONGESTION PRICING NOW

To ensure the funding necessary to meet and expand the State's ambitious infrastructure agenda, dedicated revenues must be provided. The Building Congress supports congestion pricing on vehicles to fund \$15 billion in MTA Capital improvements in the short term, and create a predictable revenue source for the MTA in the long term.

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The New York Building Congress will continue to advocate for transportation improvements that can and will enhance the lives of millions of daily commuters, and <u>will</u> <u>push for progress on the following</u>:

- A Midtown West Transformation:
 - o The Gateway Program
 - o Penn Station Redevelopment
 - o New Port Authority Bus Terminal
- Reimagining the Brooklyn-Queens Expressway and the Cross Bronx Expressway
- The Interborough Express (IBX)
- Complete the Penn Station Access Project
- New Outerbridge Crossing
- New York State Thruway Improvements
- Ferry Service Expansion:
 - o From LGA to Manhattan
 - o From Staten Island to Brooklyn
 - o From Coney Island to Brooklyn and Manhattan
- MTA Station Accessibility Improvements
- Second Avenue Subway Phases 2 and 3
- LGA AirTrain and Willets Point development
- I-81 Viaduct Project in Syracuse
- Feasibility study for two new bridges or tunnels:
 - Rikers Island to Hunts Point to provide a direct connection to LGA including a bus link with major hubs in the Bronx, following the closing of the jail complex.
 - Long Island Sound Crossing to improve regional connectivity and reduce NYC bound traffic.







To best build New York's future, our policies must be adaptable. The capability to leverage advancements in construction technologies, such as robotics, modular construction, building sensors, and 3D printing, will increase overall productivity, safety, and efficiency. The incorporation of smart technologies can help monitor site conditions, predict problems before they arise, decrease waste, and speed up project delivery. The Building Congress will continuously monitor New York's ability to adopt and utilize new technologies as they're developed. We will also advocate for affordable broadband access for all New Yorkers.

Drones, in particular, are a modern solution to reduce inspection time and cut costs. With high-tech sensors, drones can fly around buildings to generate 3-D models and high-quality images. All drone use within the five boroughs is illegal under a 1948 local law, despite the Federal Aviation Administration's legalization of commercial drones in 2016.

The Building Congress will work with our partners in government to create a safe and sensible system that allows for commercial drone use.

NEXT STEPS

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- Pass Int 045-2022: A Local Law to start a pilot program for the use of drones to inspect the exterior walls of buildings taller than six stories.
- Pass Int 0457- 2022: A Local Law 🚽 authorizing city agencies to operate small remotely piloted aircraft.



1040 AVENUE OF THE AMERICAS 21st FLOOR NEW YORK, NY 10018 The New York Building Congress, a broad-based membership association celebrating its 102nd year, is committed to promoting the growth and success of the construction industry in New York City and its environs.

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