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CONTACT: Genna Morton gmorton@council.nyc.gov 718-499-1090 (District)

NYC Council Members Lander, Espinal, Barron, de Blasio Administration, & Housing Advocates Celebrate Passage of Groundbreaking Legislation for Pilot Program to Allow Basement Conversions for Homes in East New York

Legislation would transform basement units into habitable dwellings in NYC, creating affordable housing for tenants and financial stability for homeowners.

NEW YORK, NY -- Today, New York City Council Members Brad Lander, Rafael Espinal, Inez Barron, New York City's Department of Housing Preservation and Development Associate Commissioner of Preservation Kim Darga, and Basement Apartments Safe for Everyone (BASE) Coalition advocates celebrated passage by the City Council of groundbreaking legislation to help address the affordable housing crisis. The legislation, <u>Int 1004</u>, establishes a pilot program in East New York by making changes to the city's building and fire codes, allowing qualified basement units to be made habitable and legal.

The program was developed in partnership with the de Blasio Administration, including the Buildings Department, FDNY, and HPD. The City will also provide \$12 million in low-interest loans and grants to qualified low- and moderate-income homeowners to make improvements to their homes to comply with the new regulations and create safe, legal, and affordable basement apartments.

A study by the <u>Pratt Center for Community Development</u> and the <u>Chhaya Community Development</u> <u>Corporation</u> estimated that there are more than 114,000 units in New York City's housing underground, and a substantial portion are illegal basement units. This is the City's first effort to address the issue by making it possible to make the units habitable and legal. Existing tenants would have the right to return to units that are upgraded through the City's financial assistance.

"Converting basement units into safe and legal housing is an important way to address New York City's affordability crisis," said **Council Member Brad Lander**. "This pilot program will create affordable housing for tenants, financial stability for homeowners, and investment in East New York. It will also enable us to learn useful lessons to smartly expand the program to neighborhoods around the city in the future. I'm proud to co-sponsor the legislation along with Council Members Rafael Espinal and Inez Barron, and grateful to the de Blasio Administration for working to develop this thoughtful pilot program. Thanks especially to the community advocates of the BASE (Basement Apartments Safe for Everyone) Campaign, including Chhaya CDC, Cypress Hills LDC, and the Pratt Center for Community Development, we have been pushing for years to bring underground units into the light."

"At a time when we are facing an affordable housing crisis in our city, we need to think creatively about ways to increase supply and help struggling homeowners. The basement legalization program is a two-birds, one-stone approach to tackling this crisis and delivering for everyday New Yorkers. With foreclosures on the rise throughout the city, including in many communities I represent, we need to make sure homeowners hold onto the assets that give them a pathway to the middle class, and by giving them extra income through basement rentals to help pay off their mortgages and catch up on bills, we can achieve that. I am proud to have partnered on this legislation with Council Members Lander and Barron, and excited for East New York to serve as a testing ground for this innovative new program," said **Council Member Rafael Espinal**.

"This bill will increase the stock of safe and quality housing in a city where housing is imminently needed. The number of people who are homeless, rent-burdened, 'couch-surfing' and living 'doubled-up' are representative of the need for safe, pleasant, affordable housing. Currently, thousands of people across the city are living in basement apartments that are not registered with the city and that have not been certified as meeting the standards, codes and requirements of the city.

Agencies responsible for ensuring that the established fire, health, construction and building requirements have been satisfied have no opportunity to confirm the safety of all who live in such premises and indeed the entire neighborhood," said **Council Member Inez Barron**. "This bill will enable landlords to make necessary structural adjustments to their basements so that these potential living spaces can be legalized. As such, landlords can provide living accommodations that conform to codes and in which residents can live with confidence."

"Finding a path to create safe, legal basement apartments that will add to our city's affordable housing stock while stabilizing homeowners is an idea whose time has come," said **New York City Department of Housing Preservation and Development Commissioner Maria Torres-Springer.** "We are grateful to Councilmembers Lander, Espinal, and Barron for their leadership on this issue and our partner City agencies for helping us to advance this innovative pilot program that promises to unlock more safe, quality housing opportunities."

The BASE Campaign is a coalition of community-based and housing organizations who have been working for more than 10 years toward the creation of a thoughtful program to legalize and renovate basement units as an affordable housing resource.

"The **Coalition for Community Advancement: Progress for East New York and Cypress Hills** - a coalition of residents, houses of worship and community based organizations - fought during the rezoning of East New York for policies and resources to protect low and moderate income homeowners from displacement. We see basement legalization as one tool to help homeowners lower their operating costs and provide safe, affordable housing for renters. Homeowners in East New York are battling harassment, rising costs and repair needs and spikes in house flipping. Basement legalization is a much needed solution.

"We thank Council Members Lander, Espinal and Barron for their leadership in sponsoring the legislation and working with the City to design the pilot program. We look forward to basement legalization becoming a tool for homeownership preservation for generations to come," said **Farrah Lafontant, Coalition Steering Committee member and East New York homeowner**.

"Chhaya CDC welcomes this landmark legislation that will pave the way for the East New York basement conversion pilot," said **Annetta Seecharran, Executive Director of Chhaya CDC**. "As a housing counseling organization working with the South Asian and Indo-Caribbean community in Queens, Chhaya has seen firsthand the significant role basements play for immigrant New Yorkers. Basements are a critical source of affordable housing for tenants and a stabilizing force for low-to-moderate income homeowners. However, the illegal status of most of these units often mean crippling fines and eviction. To address this issue, Chhaya founded the Basement Apartments Safe for Everyone (BASE) Campaign a decade ago to advocate for common-sense code changes and the launch of a basement conversion pilot project. We are thrilled to see that all the advocacy our community, partners, and allies have given to this movement has paid off and a basement conversion program is coming to fruition! We are particularly grateful for the commitment and leadership Council Members Lander, Espinal and Barron have demonstrated around this issue."

"Pratt Center is excited to support the passage of this important legislation after over a decade of advocating with our partners in the BASE Campaign for a program to convert basements into safe, healthy, and affordable apartments. Basement apartments can be both a source of income for struggling homeowners, and an affordable option for our low-and moderate-income neighbors – a win-win that is critically needed as the city faces an unprecedented housing affordability crisis that disproportionately impacts communities of color. We look forward to learning through the pilot how best to implement the conversion process so the program can eventually reach the estimated 100,000 informal units where people currently live, laugh, and love, to make them safe, legally recognized homes," said **Rebekah Morris, Residential Retrofits Program Manager, Pratt Center for Community Development.**

"CHPC applauds the City Council for its vision and tenacity moving this pilot forward," said **Jessica Katz, Executive Director of the Citizens Housing and Planning Council**. "This program could financially stabilize distressed homeowners, create affordable rentals, and help to address pressing health and safety issues created by the informal housing market. This is a breakthrough for the City."