



Legislation Text

File #: Res 1721-2021, **Version:** *

Res. No. 1721

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation that would create a property tax exemption for property owners who undertake safe basement apartment conversions.

By Council Members Cornegy and Louis

Whereas, The intersection of New York City's affordable housing crisis, the ongoing foreclosure crisis in communities of color, and the COVID-19 pandemic highlight the urgency needed in creating safe, healthy and affordable housing for all, especially essential workers, immigrants, people of color, and low-income households; and

Whereas, In some cases, homeowners have converted their existing cellars or basements into informal rental units for additional income to pay the bills; and

Whereas, While renting a basement or cellar can reduce financial vulnerability for the homeowner, conditions in these units are often far from ideal and can leave renters in unsafe units that do not provide adequate light, ventilation, and egress or meet other building code requirements; and

Whereas, A 2009 study by the Pratt Center for Community Development and Chaya Community Development Corporation estimated that more than 114,000 households live in illegal basement and cellar apartments across the City, many without leases and in conditions that fail to meet the minimum safety standards in the City's housing and construction codes; and

Whereas, The creation of safe and legal basement and cellar apartments represents a crucial strategy for maximizing the City's existing small residential housing stock; and

Whereas, In 2019, the Council passed Local Law 49 establishing a three-year Basement Apartment

Conversion Pilot Program (BACPP), to encourage owners of one-, two- and multi-family dwellings in Cypress Hills and East New York to create legal, habitable cellar apartments; and

Whereas, BACPP included slight amendments to New York City codes and laws to expand the eligibility of basement and cellars for conversion to apartments, including, for example, reducing the minimum ceiling height from seven feet and six inches to seven feet; and

Whereas, BACPP was launched with a funding commitment of \$12 million over those three years, to provide loans and grants to eligible homeowners to assist with the cost of basement apartment upgrades and legalizations; and

Whereas, In BACPP's first year, more than 900 homeowners expressed interest and more than 300 submitted eligibility paperwork, and City inspectors ultimately examined more than 100 basements; and

Whereas, In his February 2020 State of the City, Mayor de Blasio proposed to expand the program citywide and projected it could add approximately 10,000 more affordable basement units within the next decade; and

Whereas, In subsequent months, the COVID-pandemic paused the program roll out, and then Fiscal 2021 Adopted Budget cut BACPP by 92 percent, with such funding not yet restored; and

Whereas, A permanent, reliable funding source is necessary to ensure the realization of the potential of citywide basement apartment conversions; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation that would create a property tax exemption for property owners who undertake safe basement apartment conversions.

NB
LS #16734
7/29/21