



HARVEY EPSTEIN  
Assemblymember 74<sup>th</sup> District

THE ASSEMBLY  
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**Testimony in Support of Int. No. 1004, A Local Law to establish a demonstration program to facilitate the creation and alteration of habitable apartments in basements and cellars of certain one- and two-family dwellings**  
**Office of Assemblymember Harvey Epstein**  
**Tuesday, November 13, 2018**

Good morning Chair Cornegy and members of the committee. My name is Harvey Epstein and I am the Assemblymember representing New York's 74<sup>th</sup> Assembly District, which includes the neighborhoods of the Lower East Side, East Village, Stuyvesant Town/Peter Cooper Village, Murray Hill, Tudor City and the United Nations. Thank you for the opportunity to testify today.

Hundreds of thousands of New Yorkers live in an estimated 250,000 illegally converted basement units. These units are essential additions to the city's housing stock but because they are unregulated, tenants, homeowners, and neighbors are subject to risks to their safety and financial wellbeing. Intro 1004 would address these serious issues by providing a much needed pathway for existing units to be brought up to code while also creating a regulatory framework for future conversions that would add to the city's affordable housing stock, provide a source of income for middle class homeowners, generate tax revenue for the city, and ensure neighborhoods are getting the level of city services they need.

Because tenants have had to bear the most negative impacts of illegally converted basement units, including substandard living conditions and a lack of basic rights that legal tenants enjoy, they should be the greatest beneficiaries of a program laid out in Intro 1004. Accordingly, tenants in existing units should be assured residency after a retrofit and protected against displacement with a lease. Tax benefits extended to homeowners should come with stipulations that guarantee long term affordability for newly created units. Homeowners who elect to retrofit existing basement units or undertake a legal conversion should be provided with technical and financial assistance to offset initial costs and to plan over the for tax consequences. They should enjoy a grace period where they are able to bring units up to code without fear of incurring penalties. Homeowners should also be required to take property management classes offered by the Department of Housing Preservation and Development to ensure they understand a landlord's responsibilities to tenants and the city.

I am pleased to see movement on this issue in the form of a strong pilot that will benefit tenants, middle class homeowners, and the city. Moving forward, I am eager to work with partners in the city to address the issues with the Multiple Dwelling Law which would prevent the implementation of a program like this in other places in the city and state where



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communities are struggling to find affordable housing. If this program can be implemented successfully, I hope that it will lay the basis for legislation to create an Accessory Dwelling Unit category to the building code so our city can unlock additional affordable housing for New Yorkers. Without bold and creative action on this front, thousands of families will continue to live without a roof over their heads. We cannot stop here. We must do more to tackle the lack of affordable housing for the lowest income New Yorkers that perpetuates the crisis of homelessness in our city.

Thank you once again for the opportunity to testify.