

Non-essential construction halts across the state



The construction industry is no longer an essential workforce in [New York](#) amid the [Covid-19 crisis](#), the government said Friday.

[Empire State Development Corp.](#) updated guidance to halt non-essential construction, writing that infrastructure, hospital, and transit construction, as well as emergency construction, may continue. Those essential sites remaining open must maintain social distancing standards or be forced to close, and will face fines of up to \$10,000 per violation.

Essential projects aside, the move still puts a temporary halt to what the New York Building Congress called in its most recent construction outlook the “most robust building boom of the 21st century” in the City. Last year saw the highest-ever levels of investment and employment in the industry, the builders’ group said. It had projected \$189.5 billion in construction spending between 2019 and 2021.

The decision to deem swaths of construction non-essential will affect players from the top of the construction chain to the bottom, said Brendan Schmitt, a partner in the real estate department of Herrick, Feinstein. The big lender who finance construction projects make their deals based on a pre-set timeline that has now been disrupted, he said.

Until Friday, construction had by and large continued on those timelines, an exempted industry from “New York on Pause,” which ordered 100% of the state’s non-essential workforces to work remotely. The decision shuttered industries deemed non-essential that also could not work from home -- like salons and shops. Construction, meanwhile, operated much as it had before the Covid-19 crisis.

Pressure for that to change built up in recent weeks amid concerns about the health risks that could pose to workers on sites. Governor Andrew Cuomo was asked in his Thursday press briefing about the issue and agreed the policy seemed incongruous and agreed to address it.

“We will devote our full attention to maintaining and building essential infrastructure projects critical to first-responders and healthcare professionals,” said Gary LaBarbera, President of the Building and Construction Trades Council of Greater New York, an organization of unions in the metro area. “It will be our priority to ensure that these construction sites operate with heightened safety protocols in place in order to protect the members of the Building Trades working on these projects.”

On the list of projects still deemed essential: affordable housing and homeless shelters. Community Access, a developer that has built 1600 affordable housing units across the city and has 400 in progress, said that the government was right to deem affordable housing an essential service.

But what projects will fall under this designation is not so straightforward, said Schmitt. Buildings in New York often designate a portion of their units as affordable.

“There’s a wide swath of Manhattan where you have to have an affordable housing component by zoning. Is it the intent of the exemption that it be extended that far? I’m hopeful that the uncertainty that has been created will be resolved in further guidance being issued,” he said.