



September 16, 2026

Hon. Mayor Zohran Mamdani
City Hall
New York, NY 10007

Hon. Leila Bozorg, Deputy Mayor for Housing and Planning City Hall
New York, NY 10007

Hon. Dina Levy, Commissioner of the Department of Housing Preservation & Development
NYC Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038

Hon. Sideya Sherman, Director of the Department of City Planning
NYC Department of City Planning
120 Broadway, 31st Floor
New York, NY, 10271

RE: Recommend Labor Law 240/241 Reform in New York City's Fair Housing Growth Strategy

Dear Mayor Mamdani, Deputy Mayor Bozorg, Commissioner Levy, and Director Sherman:

We, the undersigned organizations, write to respectfully request that you add the recommendation that the State reform Labor Law § 240/241, also known as the "Scaffold Law," to New York City's Fair Housing Growth Strategy. The resulting savings would lower insurance and construction costs, [supporting 8–10% more affordable housing units per project](#) and helping fulfill the City's housing and affordability goals.

Although originally intended to protect workers, research from [the RAND Institute supported by the Robin Hood Foundation](#) highlights that the statute may in fact contribute to increased accidents. RAND recommends reforming the law to "fall in line with nationwide standards" noting that reduced costs would help build an additional 38,000 units of affordable housing.

The sections that make up the Scaffold Law, enacted more than a century ago, are an only-in-New York statute that has been expanded by lawyers and the courts to impose “absolute liability” on contractors and property owners for gravity-related injuries on worksites, regardless of the injured party’s own responsibility for the accident.

The Scaffold Law generates a high volume of litigation and enormous settlements, even when defendants are only 1% at fault. As a result, New York City construction and development projects face [insurance premiums 2-5 times higher than in comparable markets](#), adding [about 7-10% to overall construction costs](#). Affordable housing and disaster relief organizations struggle to build, with Habitat for Humanity citing the Scaffold Law as a [barrier to reconstruction after Superstorm Sandy](#).

Furthermore, bad actors exploit the law to defraud the legal system, further driving up insurance and construction costs. A recent [New York Times investigation](#) uncovered that networks of lawyers, doctors, and lawsuit-funding firms are alleged to recruit immigrants, low-income individuals, and other vulnerable New Yorkers to stage construction site accidents, undergo medically unnecessary surgeries, and file fraudulent insurance claims. Under the Scaffold Law’s absolute liability standards and lack of defenses, these claims are quickly settled, further incentivizing fraud and increasing building expenses.

To properly address the City’s housing shortage and work towards building 700,000 new homes over the next decade, the City must call on the State to align the Scaffold Law with the rest of our civil liability system and make liability proportional to fault. This is a commonsense fix supported by municipal organizations and every sector of the economy.

By amending the Scaffold Law to apply comparative negligence — the same rule used in most personal injury cases — juries can consider the responsibility of all parties involved, which will reduce the volume of lawsuits, fraudulent claims, and the price of insurance. These savings will lower construction costs and encourage investment in the development of thousands of additional affordable housing units.

Gov. Hochul’s recent car insurance reforms targeted fraud and legal system abuse to lower costs for all New Yorkers. To further these efforts, New York City must recommend that the State amend the Scaffold Law’s liability standards to deter fraudulent claims and decrease construction costs.

We urge you to include Scaffold Law reform as a priority in New York City’s Fair Housing Growth Strategy to reduce barriers to building new affordable dwellings across the five boroughs. In addition, we would like to formally request a meeting with the administration to discuss this critical issue. We look forward to working with City Hall to make New York more affordable for all.

Sincerely,

Associated General Contractors of New York State

Building Trades Employers' Association

Business Council of New York State

Center for New Liberalism

Citizen’s Budget Commission

Empire Center for Public Policy

Lawsuit Reform Alliance of New York

National Federation of Independent Business/NY

New York City Minority Small Business Chamber of Commerce

New York Insurance Association

Regional Plan Association

Staten Island Chamber of Commerce