

## 2023 State of the State Address Summary

On January 10, Governor Kathy Hochul delivered her 2023 State of the State address providing an outline of the governor's priorities for the coming year. Much of the focus was on housing initiatives. Details on many the governor's proposals remain yet to be seen until the release of her Executive Budget proposal which is expected in the coming months. The following summary highlights the governor's proposals, specifically dealing with housing. The State of the State address will serve as a roadmap for state lawmakers as they begin to draft and negotiate the State Budget, which is due by April 1, 2023. A full version of the governor's State of the State Book can be found [here](#).

### State of the State Address Housing Proposals:

#### Climate Action

- Require all new homes to be constructed with no on-site fossil fuel combustion by 2025 for smaller buildings and 2028 for larger buildings.
- Prohibit the sale of any new fossil fuel heating equipment by no later than 2030 for smaller buildings and 2035 for larger buildings
- Impose an energy grading system for large buildings statewide to measure energy usage,
- Create the EmPower Plus home retrofit program to assist low-income homeowners to switch from fossil fuel heating systems to electric alternatives.
- Require all new passenger vehicles to be zero emissions by 2035

#### Building 800,000 new homes over the next decade: The New York Housing Compact

- New home growth targets
  - Municipalities in the MTA region (including NYC) would have a 3% growth target over 3 years.
  - Upstate municipalities would have a 1% growth target over 3 years.
  - A new state Housing Approval Board would be created to override localities that deny certain housing development.
- Encourage new housing near transit
  - Localities would be required to rezone areas within a half mile of all rail stations run by the MTA to allow for certain levels of housing density. A new property tax exemption would be created that localities could opt in to incentivize mixed-income housing development.
- \$250 million to support infrastructure related to housing
  - A new \$250 million fund would be created to aid infrastructure projects for increased housing, such as sewer and water projects, parking and neighborhood growth.
- Expedite the environmental review processes for certain new housing development in proposed rezoned areas and allow NYC to increase density for residential development.
- Expand eligibility for commercial buildings to convert spaces to residential housing and provide a new property tax exemption to incentivize projects in NYC.
- Authorize NYC to legalize basement apartments
  - The state would authorize NYC to provide amnesty for existing basement units that meet health and safety standards.

- Expand an existing property tax exemption that localities can opt in to support the creation/development of accessory dwelling units (ADUs).
- Replace the expired 421-a tax exemption program in NYC with a new program that has yet to be detailed.
- Lead exposure
  - Create a new program that would require rental units outside of NYC built before 1980 in the 24 highest risk zip codes to be assessed on a 3-year cycle to identify lead hazards that pose risk to children. Homes that fail inspection would be required to remediate lead hazards to maintain their certificate of occupancy. State funding would be provided to defray costs of inspections and support renovations.
- \$50 million fund to support homeowners in communities of color
  - Create a Homeowner Stabilization Fund to focus on 10 communities in the state with high concentration of low-income homeowners of color in need of urgent repairs.
- Vacant and abandoned homes
  - Update the law to enable localities to take ownership of vacant or abandoned multi-family homes for the purpose of rebuilding and renovating.

#### Minimum wage increases

- Index increases to the minimum wage on a regional basis consistent with the year-over-year CPI.