

2023 Senate and Assembly One House Budget Summaries

HOUSING

“Good Cause” Eviction

- **Executive** – omitted “good cause” eviction from Executive budget proposal.
- **Senate** – omitted “good cause” eviction from their budget proposal. Budget resolution included language in support of “advancing tenant protections that align with the core principles of good cause eviction.”
- **Assembly** – omitted “good cause” eviction from their budget proposal. Budget proposal summary document included informal language stating that it “will continue to explore pathways to protect tenants from arbitrary and capricious rent increases and unreasonable evictions of paying tenants.”

Housing Compact – New Home Targets and Local Zoning Override

Part F of the Education, Labor and Family Assistance (ELFA) bill

- **Executive** – proposed new housing unit targets and fast track approval for housing projects by the State with a mandated goal of 3% growth target for downstate (MTA region) municipalities and 1% growth target for upstate (non-MTA region) municipalities.
- **Senate and Assembly** – modify the Executive proposal by rejecting the mandatory requirements and the overriding of local zoning, offering payment incentives in the form of state aid to municipalities that opt in and achieve their growth targets. The Senate proposal includes \$500 million in smart growth incentives for local governments that achieve housing growth targets, which would be awarded by a newly created land use advisory council.

Incentivize housing development near rail stations

Part G of the ELFA bill

- **Executive** – proposed requiring transit-oriented development near rail stations for all localities within 50 miles of NYC. Would incentivize development with an optional property tax exemption.
- **Senate and Assembly** – reject this proposal.

Eligibility for commercial buildings to convert to residential

Part J of the ELFA bill

- **Executive** – proposed expanding eligibility for commercial buildings to convert spaces to residential housing.
- **Senate** – modifies this proposal to add an optional commercial to residential conversion tax incentive for localities outside of NYC and address labor standards. It also combines the Executive proposal to establish a NYC commercial to residential conversion tax incentive (Part P of the ELFA bill – see below). The tax incentive for localities outside of NYC would apply to conversions to rental properties of 20 or more units where at least 20 percent of the units are affordable (rents no greater than 80% of AMI), and:
 - The property would be fully exempt while under construction, for up to 3 years, and then exempt for 30 years at 50 percent.

- The bill would prohibit the conversion to a coop or condo, or usage of the converted unit as a short-term rental
- **Assembly** – rejects this proposal.

Legalization of basement apartments in NYC

Part K of the ELFA bill

- **Executive** – proposed allowing NYC, through local law, to legalize basement apartments.
- **Senate and Assembly** – rejects this proposal.

Incentivize multiple dwellings in NYC

Part M of the ELFA bill

- **Executive** – proposed updating real property tax abatement incentives for affordable multiple dwellings in NYC.
- **Senate and Assembly** – reject this proposal. Senate intends to address it outside of the budget.

Multi-family housing development outside NYC

Part N of the ELFA bill

- **Executive** – proposed establishing a new, optional tax incentive for municipalities to subsidize affordable multi-family housing development outside of NYC.
- **Senate and Assembly** – reject this proposal.

Incentivize conversion of commercial properties to residential in NYC

Part P of the ELFA bill

- **Executive** – proposed creating a tax incentive in NYC to convert commercial properties to affordable residential housing.
- **Senate** – combines this proposal with Part J (see above).
- **Assembly** – rejects this proposal.

421-a deadline extension

Part R of the ELFA bill

- **Executive** – proposed extending project completion deadline for vested projects utilizing 421-a tax abatement from 2026 to 2030.
- **Senate and Assembly** – reject this proposal. Senate intends to address it outside of the budget.

Housing Access Voucher Program

- **Senate and Assembly** – Adds new budget proposal to establish the Housing Access Voucher Program to provide rental assistance to homeless individuals and those at risk of homelessness. Provides \$250 million in funding.

Creates Commission on Affordable Housing

- **Senate and Assembly** – Adds new budget proposal to establish a special commission on affordable housing (vetoed by Governor in 2022).

Lead inspection and lead rental registry

Part T of the Health and Mental Hygiene (HMH) bill

- **Executive** – proposed address childhood lead poisoning in high-risk areas by directing the Dept. of Health (DOH) to create a registry of residential rental dwellings with 2 units or more built before 1980 outside of NYC that are located within communities of concern
- **Senate** – modifies this proposal to make the Division of Housing and Community Renewal (HCR) the lead administrator.
- **Assembly** – rejects this proposal.

Short-Term Rentals

- **Senate** – resolution includes language in support of “the concepts and core principles of the short-term rentals bill and intends to address it outside of the budget process.”

CLIMATE ACTION

Building electrification mandates

Part WW of the Transportation, Econ Development and Environmental Conservation (TED) bill

- **Executive** – proposed directing the NYS Fire Prevention and Building Code Council to:
 - Prohibit the installation of fossil fuel equipment and building systems in newly constructed residential buildings and homes no more than three stories in height, beginning December 31, 2025. The same prohibition would apply to newly constructed residential buildings more than three stories in height and new commercial buildings starting on December 31, 2028.
 - Prohibit the installation of fossil fuel space and water heating equipment and related building systems in existing residential and multi-family buildings no more than three stories in height beginning on January 1, 2030, and all multi-family and commercial buildings starting January 1, 2035.
- **Senate** – modifies the Executive proposal by requiring all-electric construction beginning January 1, 2025, in new homes and buildings under 7 stories, and July 1, 2028, for those over 7 stories. The Senate rejects the Executive proposal to prohibit the installation of fossil fuel space and heating equipment and building systems in existing residential and multifamily buildings.
- **Assembly** – modifies the Executive proposal by requiring all-electric construction by December 31, 2025, in new homes and buildings under 7 stories, and by December 31, 2028 for those 7 stories or more. The Assembly rejects the Executive proposal to prohibit the installation of fossil fuel space and heating equipment and building systems in existing residential and multifamily buildings.
 - The Assembly proposal would require the state Public Service Commission (PSC) in consultation with the New York Independent System Operator (NYISO) to determine whether the electric power grid infrastructure is sufficient to support the new electrical load in a particular region, area, or project when considering prohibiting fossil fuels in new construction.

Cap-and-Invest Program

Part AAA of the TED bill

- **Executive** – proposed creating a Cap-and Invest program that would fund consumer and small business rebates.
- **Senate** – modifies the Executive proposal by adding details regarding issuance and allocation of allowances, labor standards and protections, prevention of market manipulation, and protections for disadvantaged communities, as well as setting up the Climate and Community Protection Fund to ensure all benefits and rebates from the program are equitably distributed.
- **Assembly** – rejects this proposal.

OTHER BUDGET ITEMS

Part M of Revenue Bill

- **Executive** – proposed requiring local governments to return excess revenue from foreclosure sales to the former property owner.
- **Senate and Assembly** – reject this proposal.

Appropriations Bill

- **Senate** provides:
 - \$10 million for a statewide rental registry.
 - an increase of \$1 million for Fair Housing Testing (\$3 million total).
- **Assembly** provides:
 - \$385 million for statewide Rental Arrears Assistance (ERAP funding).
 - \$250 million for the Housing Access Voucher Program (HAVP).
 - \$100 million for a new First Time Homeowner Assistance program, which would provide assistance for down payments and closing costs to low and moderate income people purchasing their first home.
 - \$500 million for a new statewide limited equity cooperative program called Foundation for Futures.
 - \$40 million for the Homeowner Protection Program (HOPP).
 - \$250 million for Homeownership Funds to support investments in community land trusts, conversion of rental housing to homeownership housing, and tenant and tenant organization ownership of housing accommodations.
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