

## **Governor Kathy Hochul's 2024 State of the State Address Summary**

On January 9, Governor Kathy Hochul delivered her third State of the State Address in Albany. Her speech focused primarily on mental health, public safety, housing and education. With regard to the Governor's housing plan, much of the policy recommendations in her address are reiterations from her "Housing Compact" proposal which failed to advance in the Legislature last year. The Governor noticeably did not make mention of any "good cause" eviction proposal. Leaders in the State Senate and Assembly have made clear that some form of additional tenant protections like "good cause" eviction will be a priority this year and could be tied to the renewal of the 421-a affordable housing tax abatement program (or similar program) in New York City.

You can find more details on Governor Hochul's 2024 State of the State proposals [here](#). And you can watch a recording of the Address [here](#).

A summary of housing-related proposals in the Governor's State of the State can be found below:

### **Incentivizing New and Affordable Housing**

#### **Make "Pro-Housing" Designation a Requirement of Certain State Funding Programs**

- In July 2023, Gov. Hochul created through Executive Order the "Pro-Housing" Community Program, which incentivized localities to achieve a "Pro-Housing Community" designation in order to gain priority in their application for certain state economic development discretionary funding. The governor now proposes to make this designation a *requirement* for localities in order to access certain state funding.

#### **Repurpose State-Owned Sites for Residential Housing**

- Following the governor's July 2023 Executive Order, state agencies identified publicly owned sites statewide that could accommodate up to 15,000 new units of housing. The governor proposes to establish a \$500 million fund to support infrastructure and other needs required to facilitate the conversion of these properties into new housing. Other sites being considered are state-owned transit adjacent lots and former prisons.

#### **Enact a Tax Abatement for New Rental and Affordable Housing in New York City**

- The governor proposes to extend the expired 421-a affordable housing tax abatement program completion deadline for affordable housing development projects in NYC that were already started and financed under the old 421-a program.
- Additionally, the governor will propose legislation to allow NYC to offer a tax abatement for the construction of new rental housing that contains affordable housing and wage standards requirements.

#### **Allow NYC Flexibility to Increase Residential Capacity**

- The governor proposes to lift the state-imposed limitation on maximum density of residential development in NYC.

#### Provide NYC Tax Incentive for Below-Market Housing in Office Conversions

- The governor will propose legislation to enact a tax incentive that would be available to NYC commercial conversions that include below-market housing due to lack of local authority by NYC.

#### Streamline Regulatory Processes to Increase Housing Production

- (DEC) has begun its process to identify efficiencies in its State Environmental Quality Review (SEQR) regulations, including to promote environmentally friendly housing growth while maintaining critical protections for all communities. DEC is poised to commence stakeholder outreach in the beginning of this year.

#### Authorize NYC to Create a Path for Legalization of Basement Apartments

- Similar to her proposal last year, the governor proposes providing NYC with the local authority to provide amnesty by local law for existing basement units that meet health and safety standards to be determined by the City.

#### Protect Section 8 Tenants from Voucher Discrimination

- In addition to existing legal processes that allow restitution to help Section 8 voucher holders overcome illegal discrimination and access housing with their federal subsidy, Governor Hochul will direct the Division of Human Rights, in partnership with New York State Homes and Community Renewal (HCR), to launch a new enforcement unit dedicated to swift resolution of complaints about housing discrimination related to Section 8 vouchers.

#### Prohibit Insurance Companies from Refusing to Cover Affordable Housing

- The governor will propose legislation that would make it unlawful for insurance carriers to inquire about or consider tenants' source of income, the existence of affordable dwelling units, or the receipt of governmental housing assistance in the decision to issue or continue to provide insurance for residential real property. The bill would further make it unlawful for insurance carriers to increase insurance premiums on the basis of source of income, the existence of affordable dwelling units, or the receipt of governmental housing assistance.

### **Specialized Housing**

#### Expand Transitional Housing Opportunities

- Expand funding for a 2022 state pilot program for transitional housing for individuals post-incarceration in NYC.

#### Fund Specialized Housing for People with Serious Mental Illness and Criminal History

- For individuals with a history of repeated arrests and difficulty engaging in mental health treatment, new investments will include developing housing units with a designated team to provide both individual-level case support and crisis and de-escalation support for residential staff.

## **Consumer Protections**

### Prohibit Unfair Business Practices

- Currently, only conduct that is deceptive is prohibited under state law. Gov. Hochul will propose legislation to expand New York’s consumer protection law for the first time in more than 40 years, by making unfair and abusive business practices illegal and giving the Office of the Attorney General a path to punish predatory operators.

## **Climate Measures**

### Launch the Resilient and Ready Program to Fortify and Repair Homes at Risk

- This would establish a “flexible fund” to fortify housing stock and other infrastructure, particularly in flood-prone communities, by supporting resiliency efforts for low- and moderate-income homeowners prior to future storms. The fund would also allow Homes & Community Renewal (HCR) to fund repairs in the aftermath of storms.

### Advance the Blue Buffers Voluntary Homeowner Buyout Program

- This program would encourage voluntary buyouts in communities most prone to flooding, using \$250 million in funds from the 2022 Environmental Bond Act.

### Update Codes and Standards for Better, Safer Buildings

- This will include higher standards for resistance to wind, snow and temperature extremes.

### Fund Green Resiliency Grants

- Establish a program that funds green infrastructure projects across the State, including green roofs and permeable pavement.