Governor Hochul delivers 2026 State of the State Address

On January 13, Governor Kathy Hochul delivered her fifth State of the State address in Albany, outlining her priorities for the year. The governor's State of the State emphasized making New York more affordable, with a slew of proposals designed to build more housing, invest in critical infrastructure, and cut red tape. Governor Hochul's speech was light on tax policy – despite increased calls from progressive Democrats and Democratic Socialists to increase taxes – however the Governor recently announced her proposal to establish universal childcare access without increasing income taxes.

The annual State of the State Address serves as a preview to the Governor's Executive Budget proposal which is due by January 20. The Executive Budget proposal formally begins the state budget process between the Governor and State Legislature where they will negotiate legislation that includes a final spending plan and other policy changes. NYSAR will evaluate relevant proposals as more details become available throughout the budget process.

Read Governor Hochul's full State of the State Book here.

Read below for a summary of key proposals included in Governor Hochul's State of the State.

Housing & Real Estate

- Launch the Let Them Build Agenda
    - Amend the State Environmental Quality Review Act (SEQRA) to classify certain types of housing projects that are compliant with local zoning and have no significant impacts on the environment as not in need of additional SEQRA review
    - Ensure project review is subject to a two-year maximum deadline for completion of a SEQRA environmental impact statement from a the point of decision to proceed with an environmental impact statement to the issuance of the final agency decision
    - Develop Generic Environmental Impact Statements to cut down environmental review timelines for select housing & renewable energy projects
    - Have state agencies involved in permitting and environmental review processes provide recommendations on how to accelerate review no later than 9/1/26
- Build more housing
    - Invest $250 million to accelerate affordable housing
    - Provide additional funding for the MOVE-IN NY program to support the construction of prefabricated homes for low- and moderate-income New Yorkers
    - Expand the number of land banks permitted from 35 to 45
    - Create the Manufactured Homes Park Improvement Revolving Loan Fund
- Protecting renters & rent-stabilized housing
    - Increase penalties to protect rent-regulated tenants from pervasive harassment
    - Reform the J-51 program to preserve more rent-regulated housing
    - Expand rent freeze programs for seniors and people with disabilities
- Launch the Smart Growth Water Grant program to unlock new housing development

Energy, Utility Costs & Environment

- Tackling utility costs
    - Propose omnibus legislation to improve fairness for ratepayers
    - Advance Excelsior power to reduce utility bills for consumers who use smart thermostats and other similar technologies
    - Protect tenants from utility shutoffs when landlords are responsible for payment
- Establish a pathway for advanced nuclear generation to improve grid reliability as the state transitions to a zero emissions grid
- Establish a sales tax exemption for electric vehicle charging stations
- Propose new DEC regulations to treat water contaminants at the source before discharge and provide local government funding
- Expand the Lead Infrastructure Forgiveness and Transformation (LIFT) program to remove and replace lead service lines and improve drinking water quality

Other Affordability Related Measures

- Expand childcare access statewide, beginning with the provision of universal childcare in New York City
- Reduce auto insurance costs
- Tackle rising home insurance costs
    - Expand automatic discounts for homeowners and commercial property owners (including affordable housing providers) by requiring insurers to offer reductions for upgrades, such as fire sprinklers or security systems
    - Require insurers to provide advance notice of premium increases