

Governor Hochul's 2024 Housing Agenda

In January, Governor Kathy Hochul held her third State of the State address and presented a wide-ranging policy agenda. Her follow-up budget address provided more details, including proposals to make New York safer, more affordable and more livable. With the entire legislature up for reelection this year and with memories of last year's heated negotiations for a late budget, the governor detailed a more cautious approach.

Governor Hochul's plans include a housing plan that is already the focus of animated conversations. It is important to note that Good Cause Eviction – a reckless and misnamed economically ruinous plan RSA has consistently opposed – was not included in the Governor's address.

Among housing proposals discussed are:

- The legalization of basement and cellar apartments.
- Removing barriers for New Yorkers with Section 8 housing vouchers.
- Legislation to make it illegal for insurance providers to refuse to cover affordable housing, or charging higher premiums to rent regulated apartments and buildings.
- Creation of up to 15,000 new housing units on state-owned properties, and requiring state agencies to review all public locations that could be transformed into new housing.
- Expanding a grant program, created via executive order this past summer, to make more localities eligible to apply to become a "Pro-Housing Community" or municipality that receives priority funding to build new units.
- Legislation to allow New York City to offer a tax abatement to construct new rental units in wake of the expiration of the 421-a program and extending the former program's completion deadline.

- Lastly, creation a new tax incentive to convert commercial buildings or offices into affordable housing.

On many housing issues, including Good Cause Eviction, there have been disagreements in each house of the legislature, between the houses and then with the Governor.

Governor Hochul also supports the legalization of basement dwelling units, provided health and safety requirements are advanced. She has again proposed providing New York City with local authority to provide amnesty for existing basement units that meet necessary and appropriate inspections. Both the city and the state are supporting a *Basement Apartment Conversion Pilot Program (BACPP)* to help eligible homeowners convert their basement or cellar units into legal and rentable apartments.

As the Governor continues to prioritize the development of new housing, RSA's focus remains the maintenance and upkeep and economic viability of aging apartment buildings – which is the majority of affordable housing options in New York City. 2019's draconian rent laws prevent owners from returning apartments to the market after decades-long tenancies, prevent investment in building upkeep and have wrecked the banking sector that lends to stabilized buildings. We are constantly discussing these issues with policymakers and supporting a statewide coalition of owner groups doing the same.

There are considerable obstacles to overcome to achieve the Governor's agenda. However, a strong working relationship between Governor Hochul and Mayor Eric Adams, and their shared strong desire to achieve these goals, is encouraging. RSA will also be supporting other legislative items through this year's session that include, but are not limited to, easing some of the restrictions imposed by 2019 rent laws (HSTPA), rental subsidies for some of the most rent-burdened tenants and Housing Court reforms. We will keep you apprised of all developments. ■

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