

Governor Hochul Launches New New York Pro-Housing Communities Program

In February, Governor Kathy Hochul celebrated the certification of New York's first Pro-Housing Community as part of her long-term strategy for housing growth. Under this program, the state's first 20 Pro-Housing Communities include localities in Long Island, Mid-Hudson, Central New York, Western New York, Mohawk Valley, Southern Tier, North County, and Capital Regions. Included in the 2024 State of the State Agenda to increase New York's housing supply, these localities have started or completed applications for future building production.

The certification, initially announced by Governor Hochul last year as part of the Executive Actions to Increase Housing Supply, allocates \$650 million in state discretionary funding and gives these localities priority consideration over other localities. Gov.

Hochul is incentivizing these municipalities to build in order to ease New York's housing crisis and is working closely with Homes and Community Renewal (HCR) and New York's local governments to move these production goals forward.

This policy is an adjustment from last year's attempt to mandate local housing development which generated fierce opposition throughout New York. Governor Hochul's new approach to building more housing is an important part of responsible solutions. However, preserving the existing housing stock and making sure policies support what already exists is also a vital step. We will continue to keep you apprised of new information as budget negotiations with the Legislature are likely to bring further proposals. ■

Decision Expected Soon From New York High Court on TENNY Lawsuit

New York's Court of Appeals will, we expect, soon issue their decision on the Tax Equity Now New York (TENNY) case that challenges New York City's broken property tax system. With decades of widespread acknowledgement of the system's failure, this lawsuit was born out of necessity and long overdue.

The TENNY coalition, which RSA has been a part of since its formation in 2017, appealed the dismissal of its lawsuit in 2020, and leave to appeal was granted by the state's highest tribunal, the Court of Appeals. The Court heard oral argument on the appeal on January 9, 2024.

A positive ruling would have major implications, which would include forcing lawmakers to overhaul the 40-year regressive property tax code. Beyond creating and perpetuating inequitable fiscal disparities, New York City's property tax system is discriminatory and violates the principle of uniform assessment. As a matter of law, properties within each of the City's four tax

classes should be assessed at a uniform share of their value. Today, however, homes in Brownstone Brooklyn, core-Manhattan and other well-off neighborhoods are artificially assessed and taxed at far lower rates than other neighborhoods, particularly in the outer boroughs. Apartment buildings are overtaxed while multimillion dollar single family brownstones are undertaxed.

With a broken property tax system at its foundation, it becomes increasingly difficult for socioeconomic mobility within the city. Although the numbers on a tax bill matter a lot, the TENNY suit is also about principles of fairness and equity, a driving point in the oral argument made by TENNY's counsel. We will be able to continue with our initial lawsuit which will then require proper consideration by a trial court of economic studies and fact finding. We will keep you apprised of new information when we hear from the Court of Appeals. ■

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