

April 22, 2024

Dear LeadingAge New York Housing Provider Members,

After three weeks of negotiations beyond the April 1 deadline, the State has reached a final budget agreement for State Fiscal Year (SFY) 2024-25, with all budget work concluding this weekend. Below is a summary of initial highlights of the Final Budget's housing measures impacting LeadingAge NY's membership, which supplements the [initial summary of health measures](#) provided to all members early Friday morning.

Notably, while the Final Budget includes a "good cause eviction" law prohibiting the removal of a tenant by non-renewal or eviction without court-approved "good cause" in NYC and in localities that opt in to coverage, we were successful in ensuring that LeadingAge NY membership is largely excluded from these provisions. However, a provision requiring inclusion of a standardized notice of applicability or inapplicability of the new law will impact all housing providers in the State and will take effect 120 days after passage. LeadingAge NY will continue to analyze this requirement and work to assist providers in implementation and compliance.

Additionally, the Final Budget prohibits property insurance carriers from discriminating against residential properties based on the affordability of units or tenants' source of income and includes significant investments in low- and moderate-income housing, as well as supportive housing.

Below is a summary of more highlights of the State Fiscal Year (SFY) 2024-2025 Final Budget's housing measures impacting LeadingAge New York's membership. LeadingAge New York will be working over the next week to gather more information, analyze all pieces of the final budget legislation, and issue a comprehensive SFY 2024-25 Final Budget Memo, covering all member service lines.

Senior Housing

The final Budget continues the five-year housing spending plan first enacted in 2022 and adds \$20M to provide capital and operating subsidies for the development of 6,000 or more supportive housing units over the next five years. Among other initiatives, the housing plan includes \$300M in capital for affordable housing targeted to low-income older adults.

Despite significant advocacy by LeadingAge New York and its members, the final Budget does not include our proposal to develop a "Resident Assistant" program for affordable senior housing.

The final Budget includes funding for the following programs:

- **Access to Home**: Increases funding to \$4M to make residential units accessible for low- and moderate-income persons with disabilities.

- ConnectALL: Continues a \$1.6B investment to support the ConnectALL initiative to bring affordable broadband service to all New Yorkers by addressing issues in serving multifamily housing and removing other barriers to broadband access.
- HHAP and ESSHI: Continues \$128M for the Homeless Housing and Assistance Program (HHAP) and \$210M for the Empire State Supportive Housing Initiative (ESSHI) to maintain operational support for current and future supportive housing units.
- Housing Opportunities for the Elderly (HOPE): Decreases funding to \$1.4M to provide grants to low-income elderly homeowners for emergency home repairs.
- Manufactured Home Advantage Program: Continues \$5M to fund loans and grants for the acquisition, demolition, or repair of mobile and manufactured homes or mobile and manufactured home parks.
- Mitchell-Lama Preservation Program: Increases funding to \$80M to preserve and improve Mitchell-Lama properties in the State.
- Mortgage Insurance Fund (MIF) Investments: Utilizes \$101.95M in excess reserves from the Mortgage Insurance Fund to support the Neighborhood and Rural Preservation Programs (\$25.19M), the Rural Rental Assistance Program (\$23.18M) and several homeless housing programs, including the Solutions to End Homelessness Program (STEHP), the New York State Supportive Housing Program and the Operational Support for AIDS Housing Program (\$53.58M).
- NY Housing for the Future Programs: Adds a total of \$150M to aid in the development of permanently affordable rental units and limited-equity cooperative housing for households earning 130% or less of Area Median Income (AMI), and directs the Division of Housing and Community Renewal (DHCR) to establish a program to facilitate the development and operation of such communities. This provision will take effect immediately.
- Resilient and Ready Program: Adds \$40M for home repairs and permanent retrofits relating to response to and readiness for natural disasters.
- Small Cities Community Development Block Grant (CDBG): Continues \$40M to assist small localities in providing decent, affordable housing, suitable living environments, and expanded economic opportunities, principally for low- and moderate-income individuals.
- Small Rental Housing Development Initiative (SRDI): Continues \$7M for capital developments under 20 units.
- USDA 515 Rental Properties Preservation Program: Adds \$10M to preserve USDA Section 515 rental properties.

In addition to funding for the above-listed programs, the final Budget includes the following measures:

- Prohibiting Insurers from Discriminating Against Affordable Housing: Prohibits property insurance carriers from cancelling, refusing to issue, or increasing the premium of a policy, or otherwise excluding, limiting, restricting, or reducing coverage, based on the affordability of units, tenants' source of income, or ownership by a public housing authority or certain regulated cooperatives. This provision will take effect immediately.
- Establishing a Good Cause Eviction Law: Establishes a law prohibiting the removal of a tenant by non-renewal or eviction without court-approved "good cause", applicable in NYC and in localities outside of NYC that have opted in through local action. Certain housing types are exempt, including:

- units subject to the regulation of rents or evictions pursuant to local, state, or federal law, rule, or regulation;
- units that must be affordable to tenants at a specific income level pursuant to statute, regulation, restrictive declaration, or a regulatory agreement with a government entity;
- licensed CCRCs and ACFs;
- senior residential communities that have submitted an offering plan to the Attorney General;
- not-for-profit independent retirement communities offering personal emergency response, housekeeping, transportation, and meals;
- housing accommodations within hospitals;
- units for which the Certificate of Occupancy was issued on or after January 1, 2009, for thirty years following the issuance of such certificate; and
- units for which the monthly rent is greater than the percentage of Fair Market Rent (FMR) set by local law, or 245% of FMR where no percentage is set.

All providers will be required to include a standardized notice of applicability or inapplicability of the good cause eviction law with every lease, offer of a renewal lease with a rent increase greater than or equal to 5%, and notice of non-renewal or eviction. The law will take effect immediately and expire June 15, 2034, with required notice provisions taking effect 120 days after the effective date.

- Authorizing Tax Exemptions for New Multifamily Housing: Allows localities to designate benefit areas and exempt new or converted multifamily housing of 10 units or more within those areas which include 25% or more units designated to households earning 60-80% of AMI from taxation and special ad valorem levies for up to five years. This provision will take effect immediately.
- Allowing Densification in NYC: Authorizes NYC and the State Urban Development Corporation, by local action or in consultation with local officials, to allow the development of residential structures with a Floor Area Ratio of greater than the current cap of 12.0 under certain circumstances and with certain affordability requirements. This will take effect immediately.
- Repurposing Underutilized Commercial Space in NYC for Housing: Establishes the Affordable Housing from Commercial Conversions Tax Incentive Benefits (AHCC) program in NYC to provide an exemption from local real property taxation for certain affordable multifamily properties converted from non-residential use. This will take effect immediately.
- Affordable Neighborhoods for New Yorkers Tax Incentive Program (ANNY): Allows NYC to offer a new property tax abatement for rental construction that includes a specified percentage of below-market housing. This authorization is effective immediately.
- Extending the Deadline for 421-a Project Completion: Extends the deadline for completion of a rental or homeownership project vested in the defunct 421-a tax abatement program for new construction which includes a specified percentage of below-market housing in NYC by four years, to June 15, 2031.
- Auditing the 421-a Program: Requires an annual audit and review of properties receiving the 421-a tax benefit to ensure compliance with affordability and rent stabilization standards. This requirement is effective immediately.
- Creating a Pathway for Basement Unit Legalization in NYC: Allows NYC to authorize the conversion and legalization of existing residential basement units and to extend amnesty to landlords who convert such units, provided that the conversion is consistent with the goal of maintaining health and

safety and that certain protections are in place for affected residents. This authorization is effective immediately.

- Incentivizing the Creation of Accessory Dwelling Units: Allows local governments to enact a law providing for tax exemption of newly created Accessory Dwelling Units (ADUs). ADUs are smaller, independent dwelling units located on the same lot as existing housing and can help facilitate, among other things, affordable multigenerational living. This provision will take effect immediately and apply to assessment rolls based on taxable status dates occurring thereafter.
- Studying Safety in Single-Exit Multifamily Housing: Directs the Building Codes Council to review standards of egress for multifamily housing of more than three stories and up to at least six stories, including building codes for such buildings with a single exit and single stairway, with a report to be delivered by July 1, 2026. The Council is further directed to amend the Uniform Fire Prevention and Building Code as necessary upon studying its findings. These provisions are effective immediately and will expire January 1, 2029.
- Housing Access Voucher Program: Excludes a legislative proposal to provide rental assistance in the form of vouchers to those experiencing homelessness or at risk of losing their homes.

Next Steps

LeadingAge New York will be working over the next week to gather more information and analyze all pieces of the final budget legislation. Members can expect to see a comprehensive SFY 2024-25 Final Budget Memo, covering all member service lines, on Monday, April 29th.

In the meantime, please don't hesitate to reach out with any questions. Thank you, as always, for your advocacy and commitment to serving New York's older adults!

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