



This Week in New York

Covering New York State and City Government

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"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul

In the News-New York State



NYS FY24 Budget Plan is in the Books, Almost

New York's rank and file legislators sealed the \$229 billion FY24 fiscal plan in the waning hours of Tuesday, May 2nd. The budget advances Governor Kathy Hochul's agenda to make the Empire State more affordable, more livable, and safer by making "responsible" investments in housing, mental health care, public safety, education, and climate initiatives.

Most of the budget bills have been signed, with the Aid to Localities, State Operations, and Capital Projects under review and could be subject to line item vetoes. Highlights of the budget include:

- **Criminal Justice:** Greater discretion for judges to set bail for the most serious crimes; \$772 million to address gun violence, reduce recidivism, and support criminal justice system.
- **Taxation:** No income tax increases for FY 2024 Budget.
- **Mental Health:** \$1 billion plan to "fix" New York State's continuum of mental health care.
- **Education:** Investment of \$24 billion To fully fund foundation aid, \$2.4 billion in new capital projects for SUNY and CUNY.
- **Housing:** Tenants, including NYCHA and section 8, will receive \$391 million in Emergency Rental Assistance Program funding.
- **Transit:** Stabilizes MTA funding to void looming 'fiscal cliff' or service cuts & invests in public transit statewide.
- **Energy:** Investments to promote energy affordability, reduce emissions, & clean air and water.
- **Labor:** Raises minimum wage to \$16 in New York City, Long Island, and Westchester and \$15 in other State areas; wages will increase by \$0.50 for two years and index to inflation post 2026.
- **Health:** \$1 Billion in health care capital funding.

"With this Budget, we are delivering on our promise to make the Empire State a more affordable, more livable, safer place for all New Yorkers," Governor Hochul said. "... I thank my partners in the Legislature for their collaboration throughout this process."

Appropriation Bills

State Operations Budget Bill (S 4000-D / A 3000-D)	Delivered to Governor
Legislature and Judiciary Budget Bill (S 4001-B / A 3001-A)	Chapter 51
Debt Budget Bill (S 4002 / A 3002)	Chapter 52
Aid to Localities Budget Bill (S 4003-D / A 3003-D)	Delivered to Governor
Capital Projects Budget Bill (S 4004-D / A 3004-D)	Delivered to Governor

Article VII Language Bills

Public Protection and General Government (S 4005-C / A 3005-C)	Chapter 55
Education, Labor and Family Assistance (S 4006-C / A 3006-C)	Chapter 56
Health and Mental Hygiene (S 4007-C / A 3007-C)	Chapter 57
Transportation, Economic Development and Environmental Conservation (S 4008-C / A 3008-C)	Chapter 58
Revenue (S 4009-C / A 3009-C)	Chapter 59



NY's Spending Plan Includes \$23.2 Billion for Capital Projects

The FY2024 Budget invests \$23.2 billion in projects across New York including transportation, education, housing, health care, and other infrastructure initiatives.

According to Governor Kathy Hochul, the budget plan makes investments to preserve and improve the State's infrastructure and maintains affordability by leveraging federal infrastructure funds and utilizing PAYGO resources (cash) to offset bond issuances.

Key capital investments in the FY 2024 Budget include:

- Nearly \$7.1 billion for year two of the \$32.9 billion DOT 5-Year Plan, which includes:
 - \$1.3 billion in local funding for road and bridge projects.
 - \$417 million for Bronx River bridge replacements on the Bronx River Parkway.
 - \$51 million for various Hudson Valley Bridge rehabilitation and replacements.
- \$2.4 billion for transformation, maintenance, and preservation projects at SUNY and CUNY campuses.
- \$1.7 billion to fully fund the new Wadsworth health facility on the Harriman State Office Campus Complex in Albany.
- \$1 billion in health care capital.
- \$890 million for mental health housing expansion.
- \$500 million in grants to help deliver clean water to New York communities.
- \$455 million in capital authority for the Belmont Redevelopment project.

- \$400 million for the Environmental Protection Fund.
- \$224 million to fund the South Shore Staten Island Seawall.
- \$150 million for Regional Economic Development Councils.
- \$135 million for the New York City Housing Authority.
- \$105 million to upgrade the State Emergency Operations Center.
- \$100 million to purchase and renovate a new satellite crime laboratory for the State Police.
- \$50 million for a Homeowner Stabilization Fund to finance home repairs in 10 communities across the state.
- \$30 million in total funding to support New York zoos, botanical gardens, and aquaria. This includes \$20 million from the \$400 million for the Environmental Protection Fund included in the FY 2024 Budget.



2024 Budget Moves NYS Closer to the Ideals of the Climate Leadership and Community Protection Act

The FY2024 Budget commits more than \$30 billion to climate action including sustainable buildings, energy affordability, and clean energy development.

Cap-and-Invest

The FY 2024 Budget advances Governor Kathy Hochul's priority to create an affordable, equitable and effective Cap-and-Invest program that accelerates climate action, creates high-quality jobs, and protects and invests in disadvantaged communities. The Budget creates the financial foundation required to support a Cap-and-Invest program and creates the Consumer Climate Action Account comprised of: Consumer Climate Action Account--to help reduce costs to consumers in the State--containing not less than 30% of revenues; Industrial Small Business Climate Action Account--to help reduce costs to businesses in the State--containing up to 3% of revenues; and NY Climate Action Fund Climate Investment Account--to assist the State's transition to a less carbon-intensive economy, containing not less than 67% of revenues.

The Climate Investment Account will support clean energy programs and policies, emission reduction measures, and focus on disadvantaged communities. Projects will be accompanied by labor standards to ensure the creation of high-quality jobs. Specifically, the budget includes language to provide Project Labor Agreements (PLAs), climate related and energy-sector job loss mitigation/retraining, and prevailing wage requirements for projects using funds from the New York Climate Action Fund.

Building Sustainability

The Enacted Budget brings State building codes and energy efficiency standards closer to the emissions goals of the Climate Leadership and Community Protection Act (CLCPA). This proposal prohibits the installation of fossil fuel equipment and building systems in any new building not more than 7 stories in height, except for new commercial or industrial buildings greater than 100,000 square feet in size, on or after December 31, 2025; the installation of such systems and equipment is prohibited in all new buildings after December 31, 2028.

Existing construction is exempt from the changes and there is also no prohibition on use or maintenance of existing fossil fuel equipment and building systems (including cooking equipment) installed prior to any of these dates. The State Building Code Council is allowed certain exemptions for public safety and reliability, including the reliability of the electrical grid.

New York Power Authority (NYPA) to Build Renewables

The Budget enables NYPA to expand its renewable portfolio by working on its own and with private sector renewable energy developers to build new renewable generation to support the State's clean energy goals and create jobs backed by labor standards. NYPA has the authority to spend up to \$25 million to fund training programs to help prepare workers for employment in the renewable energy field.

In addition, NYPA will develop a plan for the phase out of its "peaker" plants by 2030, to contribute up to \$25 million annually to the Department of Labor to support a Just Transition for energy workers, and to establish the "Renewable Energy Access and Community Help Program" (REACH), allowing customers in disadvantaged communities to receive bill credits from renewable energy projects that are owned, developed, or contracted for by NYPA to support REACH.

In the News-New York City



Mayor & Governor Launch Effort to Build All-Electric, Affordable Homes in NYC



New York City Mayor Eric Adams and New York Governor Kathy Hochul this week launched the "Future Housing Initiative," a new partnership investing \$15 million to fast-track the creation of 3,000 energy-efficient and all-electric affordable homes in New York City.

The new effort represents a step toward goals outlined in the state Climate Leadership and Community Protection Act (CLCPA)--including reducing greenhouse gas emissions 85 percent by 2050 and delivering 35-40 percent of the benefits of clean energy investments to disadvantaged communities--and the City's green building goals under Local Law 97.

The initiative is based on an expanded memorandum of understanding between the New York State Energy Research and Development Authority (NYSERDA) and the New York City Department of Housing Preservation and Development (HPD). It aims to streamline the delivery of development financing and grants to affordable housing projects currently in HPD's new construction pipeline. Funding will cover the incremental costs of implementing high-performance, all-electric "Future Homes" standards, such as electrification of hot water and heating systems in design and construction to provide energy savings, resiliency, and improved air quality for future residents.

Funded through NYSEERDA's Clean Energy Fund, the Future Housing Initiative offers building owners and developers up to \$10,000 per unit and up to \$1.5 million per project to fund the construction of high-performance, all-electric multifamily buildings that will achieve "Passive House" certification (the gold standard for sustainable construction). Development teams will also receive technical assistance support to facilitate the necessary design work. The program will support up to 30 projects that encompass approximately 3,000 dwelling units.

The initiative builds upon an earlier partnership to advance electrification in HPD's preservation pipeline by financing retrofits in existing multifamily buildings. Announced in 2021, the original agreement between NYSEERDA and HPD provided incentives through the HPD Retrofit Electrification Pilot to support building electrification and energy efficiency retrofits in multifamily buildings. This pilot is expected to upgrade approximately 1,200 affordable homes.



NYC Rent Guidelines Board Sets Parameters for Rate Increase

The New York City Rent Guidelines Board this week released the Proposed Guidelines for rent increases on the City's over 1 million stabilized apartments, calling for increases of 2 to 5 percent for one-year leases and 4 to 7 percent for two-year leases.

Following [five scheduled hearings](#) and the receipt of public comments on the proposed rent guidelines, the Board will meet on Wednesday, June 21st to adopt final rent guidelines. The hearing schedule (included in the formal rule) includes the registration process, including testimony deadlines.

These rent adjustments will apply to rent stabilized apartments with leases commencing on or after October 1, 2023 and through September 30, 2024.

The proposed guidelines are:

PROPOSED RENT STABILIZED APARTMENT GUIDELINES

Together with such further adjustments as may be authorized by law, the annual adjustment for leases for apartments shall be:

- For a **one-year** lease commencing on or after **October 1, 2023** and on or before **September 30, 2024**: **2% – 5%**
- For a **two-year** lease commencing on or after **October 1, 2023** and on or before **September 30, 2024**: **4% – 7%**

Proposed Special Guideline/Decontrolled Units

For dwelling units subject to the Rent and Rehabilitation Law on September 30, 2023, which become vacant after September 30, 2023, the special guideline shall be **27%** above the maximum base rent.

PROPOSED RENT STABILIZED LOFT GUIDELINES

- For **one**-year increase periods commencing on or after **October 1, 2023** and on or before **September 30, 2024: 2% – 5%**
- For **two**-year increase periods commencing on or after **October 1, 2023** and on or before **September 30, 2024: 4% – 7%**

PROPOSED RENT STABILIZED HOTEL GUIDELINES

The allowable level of rent adjustment over the lawful rent actually charged and paid on September 30, 2023 shall be:

1. Residential Class A (apartment) hotels – 0%
2. Lodging houses – 0%
3. Rooming houses (Class B buildings containing less than 30 units) – 0%
4. Class B hotels – 0%
5. Single Room Occupancy buildings (MDL section 248 SRO's) – 0%

Brief

State Throws MTA a Lifeline with Stabilization Plan

Governor Kathy Hochul and the State Legislative Leaders crafted a plan in the FY24 Budget to strengthen the long-term fiscal stability of the Metropolitan Transportation Authority (MTA).

The plan includes \$1.5 billion from the State's downstate casino licenses, an increase in the City's paratransit funding, and operating efficiencies by the MTA. Specifically, the FY 2024 Budget calls for:

- Implementing over \$400 million in MTA operating efficiencies to reduce expenses and improve service to customers.
- Increasing the top rate of the Payroll Mobility Tax for the largest businesses in New York City, generating an additional \$1.1 billion annually.
- Increasing New York City's share of funding for paratransit services for two years, generating nearly \$165 million annually.
- \$300 million in one-time State aid to address the impact of the pandemic on MTA operating revenues.
- \$35 million in investment to improve subway service on weekdays, weekends, and weeknights.
- \$65 million to reduce the proposed fare increase on the MTA from 5.5 percent to 4 percent.
- \$35 million in safety investments to protect riders.
- Dedicating \$1.5 billion in licensing fees if three downstate casino licenses are awarded, and a share of an estimated \$231 to \$413 million in incremental annual tax revenue from the casinos for MTA operations.
- \$15 million to fund a pilot program providing five fare-free bus routes in New York City and expand the Automated Bus Lane Enforcement program to increase bus speeds and decrease collisions.

Disabilities Advocates Assert FY2024 Budget COLA Comes Up Short

Community Now Looks to Legislature for Direct Care Worker Enhancement Legislation (S4127/A5268)

The FY24 Budget 4% cost of living increase for workers that provide support services for New Yorkers with intellectual and developmental disabilities fails to meet the pressure of inflation and needs of the State's most vulnerable population, according to the New York Disability Advocates coalition.

Advocates sought an 8.5% COLA to meet the continuation of care needs of the agency provides. With the budget shortfall, the groups are pivoting for legislative action.

"We needed 8.5% to continue providing vital support and services to people with disabilities," the coalition said. "Now, nonprofit providers and New York state will need to figure out how to continue to provide services with 4.5% less than what's needed to maintain the status quo."

Senator John Mannion and Assemblymember Rebecca Seawright, chairs of the legislative committees serving the developmentally disabled community, have introduced legislation (S4127/A5268) to help with the economic pressures.

The legislation establishes a direct support wage enhancement of \$4,000 to employees that provide direct care support or any other form of treatment, to individuals with developmental disabilities and whose income is less than \$125,000.

According to published reports, Assembly Seawright said that her wage enhancement bill is expected to pass both the Assembly and Senate on May 15.

"We are going to have a rally and a press conference in Albany on the 15th," Assemblymember Seawright said, in an article in *amNY*. "It is expected to pass, it's just a matter of whether the Governor signs it."

Coming Up

New York State

Monday, May 8th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, 2 p.m.

Senate Session, New York State Capitol Building, Senate Chamber, Albany, 3 p.m.

Tuesday, May 9th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, TBD

Senate Session, New York State Capitol Building, Senate Chamber, Albany, TBD

Wednesday, May 10th

Assembly Session, New York State Capitol Building, Assembly Chamber, Albany, TBD

Senate Session, New York State Capitol Building, Senate Chamber, Albany, TBD

Thursday, May 11th

Cannabis Banking in New York State

Joint - Assembly Standing Committee on Banks & Economic Development, Job Creation, Commerce, and Industry

Roosevelt Hearing Room C, Legislative Office Building, 2nd Floor, Albany, 10 a.m.

Friday, May 12th

To Examine School Policies Related to Discipline and Suspension, and to Hear from Stakeholders about Proposed Legislation, S.1040 "Solutions Not Suspensions Act"

Joint – Senate Standing Committee on Education & New York City Education

Senate Hearing Room, 250 Broadway, 19th Floor, New York, 10 a.m.

New York City

Monday, May 8th

Joint - Committee on Finance & General Welfare, Council Chambers - City Hall, 9:30 a.m.

Oversight - Executive Budget Hearings – General Welfare

Committee on Rules, Privileges and Elections, 250 Broadway - Committee Room, 14th Floor, 1:30 p.m.

Joint - Committee on Finance & Veterans, Council Chambers - City Hall, 2:30 p.m.

Oversight - Executive Budget Hearings – Veterans

Tuesday, May 9th

Joint - Committee on Finance & Civil and Human Rights, Council Chambers - City Hall, 10 a.m.

Oversight - Executive Budget Hearings – Civil and Human Rights

Joint - Committee on Finance & Higher Education, Council Chambers - City Hall, 12:30 p.m.

Oversight - Executive Budget Hearings – Higher Education

Wednesday, May 10th

Joint - Committee on Finance & Immigration, Council Chambers - City Hall, 9 a.m.

Oversight - Executive Budget Hearings – Immigration

Subcommittee on Zoning and Franchises, 250 Broadway - Committee Room, 14th Floor, 11 a.m.

Joint - Committee on Finance & Youth Services, Council Chambers - City Hall, 11:30 a.m.

Oversight - Executive Budget Hearings – Youth Service

Committee on Land Use, 250 Broadway - Committee Room, 14th Floor, 12 p.m.

Thursday, May 11th

Committee on Finance, Committee Room - City Hall, 10 a.m.

City Council, Council Chambers - City Hall, 1:30 p.m.

Friday, May 12th

Joint - Committee on Finance & Housing and Building, Council Chambers - City Hall, 10 a.m.

Oversight - Executive Budget Hearings – Housing and Building

Joint - Committee on Finance & Sanitation and Solid Waste Management, Council Chambers - City Hall, 1:30 p.m.

Oversight - Executive Budget Hearings – Sanitation and Solid Waste Management

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