



April 29, 2024

Dear Neighbors,

The Assembly is now on a scheduled two-week recess from legislative session. I've been using this time to regroup with staff in preparation for a now truncated six-week policy session sprint to the end of session on June 6th, meet with constituents from the district, and attend in-district events. My team and I are currently reviewing and prioritizing my sponsored legislation, meeting with advocates and constituents, and connecting with the Assembly chairs and leadership to advocate for passage of my legislative package in the remaining weeks of session.

Below is a continuation of highlights from the FY2025 NYS Budget. In [last week's newsletter](#), I focused on Education, Higher Education, Environment, Local Governments and In-District funding. Since so much energy during budget negotiations was focused on housing, this issue will focus primarily on **Housing**. I will provide additional budget updates in future newsletters, including Health and Mental Health. Please note that some of the budget highlights below are quite lengthy, but I have made this decision specifically on components of the budget that were controversial. I want to make sure everyone is clear on the details of the policies and programs that community members have taken a great interest in and that affect many of us in our community.

State Budget

Housing

We are in a housing crisis in New York. Over the last few years, the Legislature and the Governor have negotiated housing solutions, but we have not landed on an agreement. The Governor has prioritized development of new housing as a solution, and the Legislature has required tenant protections as part of the package to reach a balanced solution and to ensure equity in access to housing.

This budget primarily invests in affordable housing development programs, including the construction of some intentional affordable housing. The budget also includes some assistance for homeowners. While there are some tenant protections included in the budget, the protections do not go far enough to create true stability in the rental market. More work will be needed in this area moving forward to improve housing affordability and accessibility, but I am glad this budget starts to move us in the right direction.

While many housing budget actions were focused on New York City, Upstate and statewide highlights include:

- \$150 million to create the **New York Housing for the Future Program**, a new statewide program to provide affordable homeownership and rental opportunities for low- and middle-income families, and allows the program to utilize state- or municipal-owned sites to develop housing

- A municipal opt-in program for **accessory dwelling units (ADUs)** that will provide up to 5 years of real property tax exemptions for one to two ADUs on an existing residential property
- Reinstated \$40 million for the **Homeowner Protection Program (HOPP)** that was removed in the initial executive proposal, continuing the same level of funding from last year, a restoration from the executive proposed budget
- An additional \$15 million over the initial executive budget proposal, for \$50 million total, for **Eviction Prevention Legal Services**
- Protects owners of affordable housing units to ensure that their real property insurance cannot be refused, canceled, limited in scope or modified with higher premiums solely because units are for income qualifying tenants for the purposes of affordability or the building owner or renters receive government-issued rental assistance
- \$10 million for **land banks** operations and \$40 million for the capital needs of land banks were added to the final budget over the initial executive budget
- **Tenant Protections:** For communities outside of New York City, the municipal opt-in tenant protection program establishes guardrails on exorbitant rent hikes year over year and discourages the practice of purchasing rental properties and evicting tenants to flip the property for a profit. The program allows a tenant to claim an unreasonable rent increase as a defense during a nonpayment eviction proceeding if they can show that their rent was increased by the landlord more than the Consumer Price Index (CPI) plus 5% for their rent-protected apartment. The landlord is required to specify in all leases lease renewals, and

notices to non-renew if the apartment is rent protected. If the unit is not protected the landlord must specify why. If the rent is increased above the CPI plus 5% due to apartment renovations, they must notify and justify the increase. The program exempts landlords who own less than 10 units in their portfolio anywhere in the state or an owner-occupied premise with no more than 10 units. The bill language also exempts any new construction for 30 years for units built after January 1, 2009 (I will note that this is double the number of years of exemption compared to the only other two states that list an exemption in a parallel rent protection program. All other states have no exemption for new construction). Apartments with rents more than 245% of the Fair Market Rent (FMR) are excluded from these rental protections. If a small landlord that is an LLC is in an eviction proceeding the notice of eviction must include the name of each natural person who owns the unit, the number of units that each owner owns, and the address of each of these units, excluding their principal residence. Finally, for all areas outside of NYC, any municipality that chooses to opt in to these tenant protections can modify the portfolio size that defines a small landlord for exemption purposes as well as the percentage above FMR at which units are no longer eligible for these rental protections.

- **Single stair buildings** up to 6 stories are allowed under New York City's building code, but not in the rest of the state. The budget directs the State Fire Prevention and Building Code Council to complete a study of municipal code in the state and identify best practices for single stair construction ensuring both safety and accessibility. The budget is built on the foundation of my legislation [A7322](#). I'm excited to see this included in the budget as recent research has shown that buildings up to 6 stories with a single central large staircase (versus the long double corridor buildings) creates higher quality units with significantly more window access per unit while retaining safety. This is a great [article from Slate](#) with more information.

- **Affordable Housing Tax Incentive Program:** The final budget gives local municipalities the opportunity to opt-in and participate in the following two affordable housing development incentive programs:
 - **Option 1** is called the 421p program. It is designed for buildings with 10 units or more with at least 25% units for affordable housing. The municipality can set affordability levels within their local law so that affordable units are available to households with an average income between a range of 60-80% of the area median income (AMI), weighted for the number of people in the household. Projects under development are wholly exempt from taxation while under construction, up to 3 years. After these three years, property owners pay 100% of the assessed value of the original property prior to construction plus taxes on 4% of the value of the new construction on the property. Each year an additional 4% of the assessed value of the finished building will be added to the taxable amount. Each year 4% will be added up to 25 years, at which time they will pay property taxes on the full value of the property as assessed.
 - **Option 2** is called the 421pp program that is designed for buildings with 10 units or more where 100% of the units in the building are deemed affordable. Again, the municipality can set affordability within their local law ranging between 60-80% of the area median income (AMI). Tax exemption would be 100% for 30 years. Property owners pay 100% of the assessed value of the original property prior to construction for the 30 years. After these 30 years they will pay property taxes on the full value of the assessed property.
- **Neighborhood and Rural Preservation Companies (NPC and RPC)** provide local, front-line support to neighborhoods and communities throughout NY State, and you can learn more about [NPCs and RPCs services](#), which include accessibility modification, homebuyer counseling and assistance programs, and property management. In our district, [Cortland Housing Assistance Council](#) is a Rural Preservation Company serving Cortland County, and [INHS](#) is both a Neighborhood and Rural Preservation Company serving both Tompkins and Cortland Counties. The final budget included state-wide

funding for these important housing programs that were not included in the executive budget:

- \$4.8 million increase for Neighborhood Preservation Programs (NPP) for a total of \$17.63 million
- \$2.2 million increase for Rural Preservation Programs (RPP) for a total of \$7.56 million



From Housing Budget Hearing, 2/14/24

Around the District

Celebrating 150 Years of Cornell Engineering

Cornell's Sibley School of Mechanical and Aerospace Engineering celebrated 150 years this week with a day-long event, and I was honored to attend and offer my congratulations! The Sibley School is well-known for innovation, and advancing science, data, and engineering in today's world is critical to creating solutions in so many areas. The first Sibley graduates with mechanical engineering degrees invented milling machines and new techniques for grinding ball bearings. Today, students work on everything from biomedical devices and cancer research to robotics, fusion reactors, and space exploration. I was overjoyed to hear the keynote presentation from Bill Nye ("The Science Guy"), a 1977 Cornell Graduate of Mechanical Engineering. I wish Cornell Engineering all the best for another 150 years!



Laughing Goat Fiber Farm Open House and Fashion Act Update

Join me at the Laughing Goat Fiber Farm on Saturday, May 11. The farm will host an open house for all visitors from 12 pm - 4:30 pm at 1485 Mecklenburg Road, Ithaca. This year's open house features an open animal farm, baby goat playground with approximately 20 babies, fiber exhibit, shearing and machine knitting demonstrations, and hands-on crafts.

At 3:00 pm, I will visit the farm and will give a short presentation on the Sustainability and Social Accountability Fashion Act ([A4333](#)), an important piece of legislation that will have a global impact requiring brands that sell in NYS and have a gross annual revenue of over \$100 million to meet environmental and labor standards throughout their entire supply chain for the first time in history for this industry. This will have a direct positive impact on New York State fiber, fabric, and fashion industry.



Community Resources

National Infant Immunization Week

[National Infant Immunization Week](#) (April 22 - 29) serves as an annual reminder that following the recommended immunization schedule for children ages 2 and younger is essential to protect young children from potentially life-threatening, but preventable, diseases. Recent increases in measles cases highlight the need to stay up to date. Immunizations not only protect the child but also vulnerable or immuno-compromised adolescents and adults in the community.

[Tompkins County Whole Health](#) provides immunization clinics every Friday by walk-in from 9 am - 12 pm and by appointment 1 - 4 pm. Children are eligible to participate if they do not have health insurance coverage, are enrolled in Medicaid, have Child Health Plus, are underinsured (and insurance does not cover the vaccine), or are Native American or Alaska Native. Parents can find out more about the recommended immunization schedules at the [Center for Disease Control \(CDC\) website](#).



National Infant Immunization Week

May is Mental Health Month

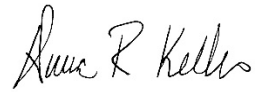
Since its inception in 1949, Mental Health Awareness Month has been an opportunity to raise awareness and to address the challenges faced by millions of Americans living with mental health conditions. Our district will commemorate the month with events that bring the community together and share resources.

- **NAMI Finger Lakes Walk:** Join NAMI Finger Lakes at Stewart Park on May 4 from 11 am - 2 pm for a flat, one-mile walk or a fun 5K run – or a time just to hang out and chat with non-walkers. Food, music and face-painting after the walk/run. Register at their Web site.
- **Cortland County Mental Health Awareness Walk:** On May 7 at 11:30 am, join community organizations at the former Parker Elementary School, 89 Madison Street, Cortland, for a community resource fair, followed by a walk down Homer Avenue to raise awareness for mental health. Find more information [here](#).
- **Better Together for Mental Health:** This free, community-wide celebration will host its second annual event on May 11 from 11 am - 3 pm at Stewart Park in Ithaca. The day offers live music, dance, workshops, performances, and activities for kids. Over 30 community

organizations will be present to share information and provide resources.



In good health,



Anna Kelles, Ph.D.

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