

PRACTICAL NEWS
LEGAL ALERTS
July 2023

NYS Takes Executive Action To Promote Housing Growth

On July 18, 2023, New York Governor Kathy Hochul announced a series of executive actions to address New York's severe housing shortage by promoting housing growth.

Gowanus (Brooklyn)

Pursuant to the Governor's directive, the Empire State Development Corporation ("ESDC") prepared a resolution to implement the Gowanus Neighborhood Mixed Income Housing Development Program (the "Gowanus Program"). The Gowanus Program builds upon the 2021 rezoning of the Gowanus neighborhood, creating a pathway to development for certain projects of at least 50 housing units which previously qualified for tax benefits under the now-expired Affordable New York program.

The Gowanus Program will accept applications from rental projects which are shovel-ready or near-term ready. ESDC will take ownership of these projects for a period of time, and the projects would make payments in lieu of taxes ("PILOT") to mirror the benefits that would have been received under the Affordable New York program. The Gowanus Program also specifies that affordable units shall remain permanently affordable and that the same requirements for rent stabilization contained in the Affordable New York program will remain in effect. Once developers close with ESDC, they have 4 years to obtain a temporary certificate of occupancy. More details of the Gowanus Program are available on the ESDC web site at:

<https://esd.ny.gov/sites/default/files/news-articles/I-C-Gowanus-Neighborhood-Mixed-Income-Housing-Development-Program-FINAL.pdf>

Executive Order: Carrots, Not Sticks

On July 18, 2023, Governor Hochul issued Executive Order No. 30 titled "Directing State Agencies, Authorities, and Entities to Prioritize the Allocation of Certain Discretionary Funds to those Localities that Promote the Construction of Housing" (the "Order").

This information is provided as a public service to highlight matters of current interest and does not imply an attorney-client relationship. It is not intended to constitute a full review of any subject matter, nor is it a substitute for obtaining specific legal advice from appropriate counsel.

The EO directs the Division of Housing and Community Renewal (“HCR”) to create the Pro-Housing Community Certification Program that will rank participating cities, towns and villages based on their efforts to prioritize housing growth. Certified localities which submit funding requests to specified programs will receive priority treatment based upon certification, including their hierarchy within the certification. The specified programs include ESDC programs such as the Regional Council Capital Fund, Market New York capital grants, the Long Island Investment Fund and the Mid-Hudson Momentum Fund; HCR’s New York Main Street program; the Department of State’s NY Forward and Downtown Revitalization Initiative programs.

The Order also directs all NYS agencies, including the Metropolitan Transit Authority, the State University of New York and the NYS Department of Transportation, to identify sites they control (including parking facilities) that might be used for housing development or to assist nearby housing development.

This information is provided as a public service to highlight matters of current interest and does not imply an attorney-client relationship. It is not intended to constitute a full review of any subject matter, nor is it a substitute for obtaining specific legal advice from appropriate counsel.

CONTACT US

Marc A. Landis

Managing Partner and Co-chair, Real Estate Practice

mlandis@phillipsnizer.com

Lisa R. Radetsky

Co-Chair, Real Estate Practice

lradetsky@phillipsnizer.com

Christian B. Hylton

Co-chair, Land Use & Government Relations

chylton@phillipsnizer.com

Kevin B. McGrath

Co-chair, Land Use & Government Relations

kmcgrath@phillipsnizer.com

David J. Rosenberg

Associate, Real Estate Practice

drosenberg@phillipsnizer.com

Location

485 Lexington Avenue, New York, NY 10017

212.977.9700 Main Tel | 212.262.5152 Fax

www.phillipsnizer.com | Resourceful Representation®

New York | New Jersey | Geneva

A member of AllyLaw

This information is provided as a public service to highlight matters of current interest and does not imply an attorney-client relationship. It is not intended to constitute a full review of any subject matter, nor is it a substitute for obtaining specific legal advice from appropriate counsel.
