

Governor Hochul delivers 2025 State of the State Address

On January 14, Governor Kathy Hochul delivered her fourth State of the State Address in Albany outlining her priorities for the year. The governor's speech placed a large focus on public safety and increasing affordability for New Yorkers, including proposals to provide a one-time "inflation refund" check, increasing the child tax credit, and providing down-payment assistance for first-time homebuyers.

Governor Hochul's State of the State Address serves as a preview to her Executive Budget proposal which is due by January 21. The Executive Budget proposal formally begins the state budget process between the Governor and State Legislature where they will negotiate hundreds of pages of legislation that includes a final spending plan and non-fiscal policy changes.

NYSAR will evaluate all relevant proposals as more details become available throughout the budget process, underscoring the importance of building upon the state's investment in housing included in last year's budget: \$600 million to support new housing development; \$500 million in capital funding for new homes on state-owned property; and new local tax incentives to create more housing opportunities.

Read Governor Hochul's full [State of the State Book here](#).

Read below for a summary of relevant proposals included in Governor Hochul's State of the State:

Housing

- Creating a \$100 million Pro-Housing Supply fund for certified Pro-Housing Communities to assist with critical infrastructure projects necessary to create new housing, such as sewer and water infrastructure upgrades. This is in addition to the \$650 million in state discretionary programs approved in 2024.
 - So far, 270 localities have been certified, with more than 420 submitting letters of intent.
- Requiring a 75-day waiting period for institutional investors to make an offer on one- or two-family homes.
- Providing \$50 million in new state funding to support New Yorkers to save for down payments.
- Proposing an affordable homebuyer property tax incentive at local opt-in for homes built with assistance from governmental entities, nonprofits, land banks, or community land trusts, and sold to low- and moderate-income homebuyers.
- Creating the State's first revolving loan fund to spur mixed-income rental development outside New York City. The fund will fill construction financing gaps by providing a lower-cost and more flexible form of capital than is generally available in market financing.
- Advancing proposed regulation to streamline environmental review allowing modestly sized home development, such as certain multi-family housing with no more than 10,000 square feet of gross floor area, to proceed as 'Type II,' which offers a simpler pathway towards completion.
- Proposing actions to make discriminatory appraisal practices unlawful, enforce anti-discrimination principles in appraisals and diversify the appraiser workforce.
- Proposing legislation to limit landlords using price-fixing algorithms to drive up housing costs.

Taxes

- Cutting middle class tax rates for joint filers earning up to \$323,200 per year.

- Sending inflation refund checks of up to \$500 for joint filers earning less than \$300,000 per year and \$300 checks for single filers earning less than \$150,000 per year.
- Expanding New York's child tax credit to provide up to \$1,000 per child.
- Fighting for the full restoration of the federal SALT deduction to provide much needed relief for New Yorkers.

Safety

- Amending New York's Mental Hygiene Law to address gaps in the standards for involuntary commitment.
- Increasing NYPD presence on platforms and trains in NYC by temporarily surging patrol levels on every train between 9:00 PM and 5:00 AM for the next six months.
- Streamlining the discovery process to ensure fair trials, end procedural delays and hold criminals accountable.

Economic Development

- Launching a new program (\$300 million) — the Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) — to fund the proactive development of electric capacity to create power-ready sites and attract new businesses to the state.
- Creating a new tier for semiconductor supply chain companies within the Excelsior Jobs Tax Credit Program. The new Semiconductor Supply Chain Tax Credit will offer up to a 7 percent jobs tax credit, and a 3 percent investment tax credit.
 - The Excelsior Jobs Tax Credit Program enhancements also include a large-scale semiconductor R&D tax credit for major research investments exceeding \$100 million in qualified expenditures.
- Proposing a new round of Focused Attraction of Shovel-Ready Tracts New York (FAST NY) that prioritizes semiconductor manufacturing and supply chain projects as well as cleantech and green economy projects. This new round of funding will include a focus on equipping sites with utility access, including renewable and clean energy.

Climate and Energy

- Developing a Master Plan for Responsible Advanced Nuclear Development that will guide any nuclear projects, and as part of that process New York will help lead a multi-state Consortium on Nuclear Energy focused on driving down costs and risk-sharing.
- Building on the state's \$5.5 billion commitment, the Governor proposes investing an additional \$500 million in water infrastructure to reduce water bills, combat flooding, restore waterways, and replace lead service lines to protect vulnerable populations. To further address gaps, she will launch a pilot program providing financial assistance for private well owners to replace or treat contaminated wells.