

FAIR HOUSING MATTERS NY

AN ASSESSMENT OF FAIR HOUSING IN NEW YORK STATE

INTERIM REPORT – 2025



Homes and
Community Renewal
Fair and Equitable
Housing Office

INTRODUCTION

Over 50 years have passed since the enactment of the federal Fair Housing Act, which not only prohibited discrimination in housing but required federal agencies and the recipients of federal funds to administer their programs and activities in a manner that affirmatively furthers the fundamental purposes of the Act. From the beginning, it was recognized that this duty to affirmatively further fair housing (“AFFH”) imposed an obligation on all covered entities to confront and address historic patterns of housing segregation and other barriers to meaningful fair housing choice. In the words of Senator Walter Mondale, one of the primary sponsors of the Fair Housing Act, the AFFH duty was necessary “to start on the true road to integration” and achieve “truly integrated and balanced living patterns.”

In December of 2021, Governor Hochul signed a state AFFH law that reaffirms New York State’s obligation and commitment to AFFH. The State’s AFFH law details the meaningful actions that must be undertaken to overcome patterns of segregation, promote fair housing choice, eliminate disparities in opportunities, and foster inclusive communities free from discrimination. The State law also outlines corresponding reporting requirements.

To fulfill the State’s commitment to meaningfully further fair housing in New York, we must first assess the condition of fair housing throughout the state. The [Fair Housing Matters NY](#) report, which was released April of 2024, details this statewide assessment of fair housing (“AFH”). Through quantitative data analysis and input from New York state residents, community leaders, nonprofit organizations, and housing professionals – the report examines seven key fair housing issues and outlines eight goals and corresponding strategies to address these issues. The AFH Mapping Snapshot is an online interactive mapping tool that highlights some of the major findings and goals detailed throughout the report and geographically illustrates how fair housing issues impact New Yorkers throughout the state.

This interim report provides notable recent progress made by various New York agencies, on the goals and strategies outlined in the latest AFH report.

GOAL 1: BUILD UPON OPPORTUNITIES FOR WEALTH CREATION THROUGH AFFORDABLE HOMEOWNERSHIP

New York State continues to prioritize the creation of meaningful opportunities for homeownership, wealth-building, and stabilization for low-income families and other vulnerable New Yorkers. To fulfill the State’s commitment to helping New Yorkers obtain affordable homeownership, the following are underway:

1. Funding to Incentivize the Development of Starter Homes. Often homes being built in the market today are larger and therefore less affordable than a traditional starter home. The undersupply of starter homes prevents both young families from becoming homeowners and older New Yorkers from downsizing. Governor Hochul’s FY 2026 Enacted Budget included \$50 million in new capital funding to incentivize the building of more starter homes, including innovative approaches to homebuilding such as the use of factory-built and modular development. This funding will be available to homebuilders to catalyze the construction of starter homes.
2. Homebuyer Tax Incentive. Even when homes are developed for the express purpose of being sold to low- and moderate-income homebuyers, local property tax assessments value the homes at fair market value, presenting challenges to affordability. Governor Hochul’s FY 2026 Executive Budget included a proposal, to create an affordable homebuyer property tax incentive (457-a) for qualifying homebuyers at or below 80% area median income. The New York State legislature ultimately passed similar legislation during the 2025 legislative session. The bill would enable localities to opt in to bring down costs and increase the affordability of homes built with assistance from governmental entities, nonprofits, land banks, or community land trusts and sold to low- and moderate-income homebuyers.
3. The Block-by-Block Program to Build Affordable Homeownership Opportunities in Upstate Cities. In December 2024, Governor Hochul announced the Block-by-Block program that will make \$40 million available to nonprofit organizations who will develop new homes on vacant or underutilized lots. The program will create new single- and two-family homes in Albany, Binghamton, Buffalo, Rochester and Syracuse, which will be affordable to low-

income New Yorkers who earn up to 60% of the Area Median Income (“AMI”). This program was recently codified in Governor Hochul’s 2026 Enacted Budget.

4. Downpayment Assistance for Low-Income Families. Accruing enough assets to close on a new home is one of the largest barriers to homeownership. To address that need, NYSHCR’s State of New York Mortgage Agency (SONYMA) provides up to \$30,000 in assistance for lower-income borrowers who earn at or below 60% AMI through the Down Payment Assistance Loan Plus Program, launched in September 2023. Loans issued through the program are forgiven after 10 years of borrower occupancy in the home. In the program’s first year through December 31, 2024, the Agency funded 574 mortgages that include \$16.5 million in down payment assistance.
5. Give Us Credit Expanded Underwriting Standards. NYSHCR’s Give Us Credit (“GUC”) underwriting standards expand the criteria used to evaluate responsible financial management among applicants, increasing eligibility to families and individuals who rely on non-traditional savings and sources of income, offering greater flexibility for potential borrowers who have overcome past financial hardships.
6. Credit is Due Program to Expand Access to Home Loans. NYSHCR’s Credit is Due Program supports local special purpose credit programs (“SPCPs”)¹ established by participating lenders to address historical and current disparities in access to home loans in New York. Launched in November 2023, enhancements for the SPCPs in the Credit is Due Program include access to enhanced downpayment assistance up to \$30,000, expanded GUC underwriting, and an interest rate reduction of up to 2%. The eight participating lenders supported an increase in total lending volume to applicants from 655 loans totaling \$165.7 million in 2023 to 697 loans totaling \$182.6 million in 2024. Additional participating lenders with SPCPs are currently undergoing the onboarding process.
7. Disincentives for Institutional Investors Purchasing of Single and Two-Family Homes. According to some estimates, private equity firms are expected to own up to 40 percent of the single-family rental market by 2030. When large investors hold a disproportionate share of a local housing market, it removes opportunities for homeownership, exacerbating the existing scarcity and driving up prices for remaining homes on the market. These consequences are felt most intensely by first-time and low- or moderate-income homebuyers. To help level the playing field and increase opportunities for everyday individuals and families to purchase a home, Governor Hochul signed legislation to disincentivize large investment entities who own 10+ single- and two-family homes and act as a fiduciary for at least \$30 million in assets under management from buying single- and two-family homes en masse, and will require a 90-day waiting period for these institutional investors to make an offer on one- or two-family homes. The disincentive prohibits covered institutional investors from claiming depreciation tax deductions for single- and two-family homes, or claiming interest deductions with respect to such homes, to disincentivize their accumulation of single- and two-family homes.
8. Expansion of the Redevelopment Inhibited Property Tax Exemption. As communities across New York address housing supply needs, they often face the problem of vacant and abandoned properties, particularly in Upstate regions. Often, these properties are not attractive to purchasers because of the capital that would be required to bring them up to code. For this reason, Governor Hochul’s FY 2026 Budget included a proposal that the New York State legislature passed during the following legislative session to allow municipalities across the state to adopt a tax exemption that applies to the increase in assessed value of a neglected or abandoned property as a result of demolition, alteration, rehabilitation, or remediation.

For many New Yorkers, their largest investment and most valuable asset is their home. Homes provide families with a safe place to live and an opportunity to build generational wealth. Efforts aligned with ensuring that homeowners are able to protect this asset include:

¹ Special purpose credit programs (SPCPs) provide a way for banks and other financial institutions to offer credit to borrowers who may otherwise have a difficult time accessing traditional credit opportunities.

- Laws and Policies to Combat Home Appraisal Discrimination: For too long, pervasive appraisal bias² throughout the housing industry has unjustly stripped families of the opportunity to build generational wealth. As described below in Goal 4, a suite of actions is underway to enforce anti-discrimination principles in appraisals.
- Deed Theft Protections: The FY 2025 budget enacted in April 2024 included legislation proposed by Governor Hochul that implemented various measures to protect vulnerable New Yorkers from deed theft and related predatory schemes. The legislation criminalizes scams robbing families of their homes and equity, such as persuading homeowners, often members of protected classes, to transfer over the ownership or legal rights of their property to someone who is not entitled to that property. In addition, this law further protects homeowners by creating protections related to inheritance to safeguard generational wealth, including a transfer on death deed which allows real property to pass to designated people without the expense of a will or probate.
- Homeowner Repair Fund: In March 2024, Governor Hochul announced \$50 million in Targeted Housing Investment Program (THIP) grant awards to fund critical repairs for homeowners in formerly redlined neighborhoods experiencing housing distress. This is an effort to preserve the value of assets that create generational wealth for New York families.

GOAL 2: INCREASE ACCESS TO SUITABLE AFFORDABLE HOUSING FOR THOSE WITH DISABILITIES

Improving accessibility in available, affordable housing remains a major priority for NYSHCR. All New Yorkers should have access to safe and decent housing that they can afford, and NYSHCR is committed to reducing barriers for individuals with physical, sensory, or developmental disabilities. Updates toward this goal include the following efforts:

- Initiatives to Require a Minimum Number of Adapted Accessible Units in All Affordable Housing Projects Financed by NYSHCR. Since 2018, NYSHCR has financed over 2,000 affordable units that have been adapted to be more accessible. In an effort to create more adapted accessible units, in July 2025, NYSHCR revised its Design Guidelines, which outline the minimum standards of accessibility, quality, function, and durability for all of the housing projects NYSHCR funds. In conjunction with the change to Design Guidelines, NYSHCR revised its Qualified Allocation Plan (“QAP”), which governs the allocation of state and federal Low-Income Housing Tax Credits (“LIHTC”)³ to incentivize affordable housing projects to exceed the minimum baseline Design Guidelines requirements for accessible units. The new incentive structure, along with the baseline requirements, are expected to increase the total number of affordable accessible units throughout the state.
- Funding to Create or Preserve More Supportive Housing. As part of the Fiscal Year (“FY”) 2023 Enacted Budget, Governor Hochul announced a five-year, \$25 billion Housing Plan to create or preserve 100,000 affordable homes statewide, including 10,000 with on-site support services for vulnerable populations. As part of this effort, NYSHCR is working alongside its partner agencies in the Empire State Supportive Housing Initiative (ESSHI)⁴, and with the Office for People with Developmental Disabilities, and has so-far financed over 5,400 ESSHI-supported units, the majority of which are reserved for populations with disabling conditions. In 2024 alone, 1,637 supportive housing units were created through the Housing Plan, including 1,098 ESSHI-supported units.

² When a homeowner, homebuyer, or neighborhood’s actual or perceived association with a protected class (e.g., race, national origin) is taken into consideration when determining the value of a home or otherwise impacts the provision of appraisal services, often by assigning a lower value than the home is worth based on the actual or perceived association.

³ A federal program where states are given funding to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing for lower-income households.

⁴ An interagency program that provides funding to create or preserve permanent affordable housing that includes support services for families experiencing homelessness who have at least one individual with one or more disabling conditions or other life challenges (e.g., survivors of domestic violence, seniors aged 55 and older, etc.).

- Program Flexibility and Administrative Fees for Housing Accessibility Modifications. In July 2024, Governor Hochul signed a bill that NYSHCR proposed enabling providers (i.e., participating nonprofits and local governments) to make home repairs related to habitability along with accessibility modifications under the Access to Home and Access to Home for Heroes programs administered by NYSHCR. This change empowers providers to better serve people with disabilities and disabled veteran households by addressing safety and quality of life issues in their homes while making them more accessible. In addition, the bill provides further support to these local governments and nonprofits to encourage even more providers to participate in the program and thereby expand access to these services to a broader range of disabled and disabled veteran households.
- Eligibility for Real Property Tax Exemptions Expanded for those with Disabilities or Housing Individuals with Disabilities. In July 2024, Governor Hochul also signed a law that expands eligibility for certain real property tax exemptions to cover additional households including persons with disabilities. Property tax exemptions reduce a property's assessed value, lessening the owner's tax obligation. As such, this bill increases housing affordability for New Yorkers with disabilities.
- Standards Established for the Evacuation of Individuals with Disabilities in High-Rise Buildings. In February 2024, Governor Hochul signed a law to further protect people with disabilities by requiring the New York State Fire Prevention and Building Code Council to adopt standards for emergency evacuation plans in certain high-rise buildings outside of New York City. The law requires the standards to be developed in consultation with organizations that advocate on behalf of individuals with disabilities.
- Searchability of Affordable Housing by Accessibility Features. NYSHCR is launching a housing search and application portal that consolidates all NYSHCR financed affordable housing units in one portal across the state. The portal allows for online applications and lotteries and enables individuals with certain accessibility needs to search and filter by accessible design feature. The updated portal initially launched in April 2025 and additional features will be added throughout the year. In addition, NYSHCR clarified its tenant admissions policies in 2023 to require waiting lists for accessible units to remain open even after lotteries have occurred, and to restrict the granting of waivers for housing individuals in these units who do not require the accessibility features, except for in very limited and temporary circumstances.
- Fair Housing Testing and Training, Including Based on Accessibility Protections and Construction Requirements. In April 2025, NYSHCR expanded and nearly doubled its fair housing testing, education and outreach program, adding a \$2 million FY 2024 appropriation to support six fair housing organizations who contract with NYSHCR to conduct fair housing testing. These organizations use funds to perform testing based on a wide array of protected classes, including testing for suspected disability discrimination. As part of this effort, NYSHCR funded two training sessions for developers, lawyers and design and construction professionals, on federal and state accessibility requirements where continuing education credits were offered.
- Collaboration with Governor's Chief Disability Officer (CDO). NYSHCR and CDO staff and leadership meet regularly to collaborate on many of the initiatives described in this section, creating meaningful feedback loops regarding the housing needs of New Yorkers with disabilities.
- Department of Health's Newly Approved New York Health Equity Reform (NYHER). In January 2024, Governor Hochul announced the Centers for Medicare and Medicaid Service's approval of a groundbreaking amendment to the New York State Medicaid program unlocking over \$7 billion in funding aimed to promote health equity and reduce health disparities by addressing health-related social needs (HRSNs), like housing, that are not necessarily medical interventions.

GOAL 3: CREATE MORE AFFORDABLE HOUSING WITH AVENUES FOR COMMUNITY SUPPORTS AND ACCESS TO NEEDED RESOURCES

Stable, affordable, and safe permanent housing is a critical social determinant of a family's health, access to wealth-building opportunities, and positive educational outcomes. This has been evidenced by numerous social science studies and underscores the necessity of ensuring that all New York families have access to such housing in the neighborhoods of their choosing. The historical disinvestment of formerly redlined neighborhoods, paired with the limited stock of affordable housing in well-resourced areas poses a major threat to New Yorkers, particularly individuals of color; families with children, especially those headed by women; individuals with disabilities; and other protected classes.

New York State has continued to implement place-based community vitalization efforts – which seek to ensure that families have affordable housing and community resources needed to remain and thrive in their current neighborhoods if they so choose, as well as mobility-based initiatives – such as the expansion of the Making Moves Mobility program (further detailed in Goal 5 below), which support families in accessing well-resourced areas. The combination of place-based and mobility efforts enable New Yorkers to have meaningful access to community resources across various types of neighborhoods. Recent efforts aligned with Goal 3 include the following:

- Rural and Community Investment Fund. In its 2025 Request for Proposals (RFP) for its Multifamily Housing Program, NYSHCR allotted \$10 million for projects that include the preservation of rural affordable housing in areas with accessible goods and services, or smaller scale affordable housing throughout the state. Eligible uses of the fund also include providing community facilities that serve either critical unmet community needs or strategic local investment/development initiatives. Community resources for this funding can and have included childcare centers, healthcare facilities, grocery stores or supermarkets, youth services, job training organizations and/or other community facilities.
- Amendments to the Competitive Allocation of Federal Low-Income Housing Tax Credits to Incentivize Inclusion of Community Facilities in Affordable Housing Projects. In July 2025, NYSHCR amended its QAP, the regulation that sets competitive scoring points for state and federal low-income housing tax credits, to further incentivize affordable housing projects that bring community facilities like childcare centers or supermarkets to the community where the project will be located.
- LGBTQ+ Affirming Senior Housing Program: In response to the housing needs of low and moderate-income LGBTQ+ seniors, who disproportionately face homelessness and lack of family support in aging, NYSHCR began providing funding for housing projects that affirm and serve the needs of this aging population by providing access to services that support aging in place, which may include, but are not limited to, housekeeping, wellness and social activities, home care, and transportation.
- Development of a Neighborhood Resource Index: As part of efforts to provide more housing opportunities in well-resourced areas, NYSHCR created the “Neighborhood Resource Index” (NRI), which will launch in 2025 and will replace the “Well-Resourced Area (WRA)” tracts that were previously used for development incentives. Instead of the 2 metrics used in WRAs (poverty rate and school performance), the NRI combines 24 metrics across 4 socio-economic domains – education, income and employment, household demographics, and housing characteristics.

GOAL 4: REMOVE BARRIERS TO HOUSING BY ADDRESSING REDLINING AND DISINVESTMENT IN NEIGHBORHOODS

New York State and many of the cities within it remain some of the most segregated in the country. Further, New York State has the unfortunate distinction of having the highest income disparity of any state in the nation. These two separate but related facts are a direct result of a legacy of discriminatory policies and practices such as redlining, blockbusting, racial steering, and exclusionary zoning, among other pernicious laws and practices. As a result, New York families of color are less able to break intergenerational cycles of poverty, withstand episodic financial crises, and build wealth. It is only through purposeful and directed policies and actions that such disparities will end, and remediation begin. Recent efforts toward this goal include:

- Prohibition of Insurance Discrimination Based on Tenants’ Source of Income, Existence of Subsidized Dwelling Units, or Receipt of Governmental Housing Assistance. As part of the FY 2025 Budget, legislation was secured by Governor Hochul prohibiting insurance carriers from inquiring about or considering tenants' source of income, the existence of affordable dwelling units, or the receipt of governmental housing assistance in the decision to issue or continue to provide insurance for residential real property. This legislation combats affordable housing owners’ disproportionately rising insurance costs. The Department of Financial Services has issued related guidance informing insurers that they are prohibited from making coverage decisions based on, or even inquiring about, a property’s status as an affordable housing development or tenants’ source of income.
- Local Landbank Initiatives to Return Vacant, Abandoned and/or Tax-Delinquent Properties to Productive Use. New York State’s FY 2022, 2023 and 2024 budgets allocated a combined \$110 million for land banks’ services and expenses. Land banks partner with government entities to strengthen communities by acquiring, stabilizing, and facilitating the redevelopment of blighted and abandoned properties, returning them to productive use, and growing local property tax bases. The FY 2026 Enacted Budget allocates \$40 million in funding for land banks.
- Steps to Eliminate Appraisal Bias within Communities of Color. Governor Hochul’s FY 2026 Executive Budget included a proposal that the New York State legislature passed during the following legislative session to make it a violation of the State’s Human Rights Law to discriminate when providing real estate appraisals or in making such services available. The bill also would increase penalties for appraiser violations of State law and would expand the potential uses of the State’s anti-discrimination in housing fund to include support for appraisal discrimination and several other fair housing initiatives. Separately from the bill, a multiagency taskforce has met and will begin to examine ways to diversify the appraiser workforce and create more equitable and accessible certification and supervision processes.
- Continuation of State Housing Goals that Focus on Community Impact/Resources. As part of Governor Hochul’s \$25 billion, 5-year housing plan, NYSHCR has set forth State Housing Goals to prioritize housing projects that will eliminate disparities and service the critical housing needs of vulnerable New Yorkers. These Housing Goals include, but are not limited to promoting the following:
 1. Community renewal and revitalization projects, which advance local community planning needs.
 2. Housing with built-in support services for targeted populations which include youth aging out of foster care, homeless individuals, those with developmental or intellectual disabilities, and those reentering after incarceration, among other groups.
 3. Multifamily projects in well-resourced areas that provide the geographic environment for families with children to access community resources like well-performing schools.
 4. Development outside of NYC that is within close proximity to public transportation to provide housing opportunities for New York’s workforce.
 5. State revitalization and economic development initiatives including brownfield cleanups⁵ and efforts to alleviate poverty in some of the poorest counties in the state.
 6. Public housing redevelopment projects that address the needs of public housing units outside of New York City (NYC), and/or assist public housing authorities in completing their restructuring plans.
 7. New multifamily rental senior housing development supported by NYSHCR financing so that New York State’s low-income seniors (age 62+) have opportunities to age in place and live independently in their own homes and communities of choice.
 8. Preservation of affordable housing for low-income individuals and/or families.

⁵ Brownfields are underused or abandoned sites that were formally used for industrial or commercial purposes that may carry contaminants.

- Investment in Local Downtown Revitalization Initiatives. In August 2024, Governor Hochul announced the availability of \$200 million through two of the State’s downtown revitalization and economic development programs — \$100 million each for Round 8 of the Downtown Revitalization Initiative and Round 3 of the NY Forward Program, which focuses on revitalizing smaller and rural downtowns. The 2024 funding will help an additional 29 downtown communities reinvest in their core areas. To be eligible for the funds, communities must be certified under Pro-Housing Communities Program (see Goal 7 below for more information).
- Homeownership Initiatives in Underinvested Neighborhoods. As described under Goal 1, NYSHCR has various homeownership assistance efforts that focus on areas that are experiencing housing distress, vacancy or underutilization, or that assist SPCPs that were established to address homeownership disparities experienced by certain underserved communities. These initiatives bring critical resources and investment to neighborhoods impacted by disinvestment.
- Shelter Rent Tax Deductions for Mitchell-Lama Residents. The Mitchell-Lama Program supports 105,000 units of housing that are affordable to low- and middle-income families. Currently, Mitchell-Lama developments can receive a shelter rent tax abatement to reduce their share of local property taxes. However, the current tax abatement is often insufficient to address escalating increases in insurance, utility, and taxes that endanger building quality and the financial health of this critical supply of affordable housing. To provide much needed relief, Governor Hochul’s FY 2026 Enacted Budget included legislation that will reduce Mitchell-Lama shelter rent taxes by at least half in New York City and allow for the same by local opt-in in the rest of the state.
- State Low-Income Housing Credit Increases. Modeled after the federal Low Income Housing Tax Credit Program, the New York State Low Income Housing Tax Credit Program (SLIHC) was signed into law in 2000 and has been critical to supporting the development of housing for low-and middle-income households. Governor Hochul’s FY 2026 Enacted Budget builds on this success by allocating double the amount of the tax credits available through the SLIHC program, making it the largest state low-income housing tax credit program in America. This action alone will generate upwards of \$210 million in private investment in affordable housing per year.

GOAL 5: INCREASE ACCESS TO AFFORDABLE HOUSING BY ADDRESSING BARRIERS TO HOUSING CHOICE

Across the state, many individuals, including individuals of color, families with children, individuals with disabilities, and members of other protected classes struggle to access affordable housing. Advocates cite various barriers to housing choice – landlord policies that deny access to housing to individuals with low credit or negative credit history, or to individuals with a history of criminal legal system involvement; difficulty meeting security deposit requirements; lack of availability of accessible housing for individuals and families that require such units; persistent discrimination against individuals who pay the rent using non-wage income; and difficulty in finding affordable housing in the neighborhood of one’s choosing.

Recent efforts made to advance the goal of increasing access to affordable housing by addressing barriers to housing choice include:

- Establishment of the Source of Income Early Intervention and Enforcement Unit. Source of Income discrimination occurs when housing providers deny applicants housing opportunities because they receive government assistance, rent subsidies, or other forms of non-waged income. In 2019, the New York State Human Rights Law (NYSHRL) was amended to prohibit such discrimination and currently, NYSHCR and the New York State Division of Human Rights (NYSDHR) are in the process of establishing a joint early intervention and enforcement unit. The primary goal of the unit is to act quickly when Section 8 Housing Choice Voucher holders attempt to use their vouchers and are discriminated against for using a voucher, to help ensure that the voucher holders are able to access the home of their choice. When a person looking for rental housing experiences housing barriers because of their housing voucher, the Unit will conduct an expedited intervention which includes contacting landlords directly to inform them of the law and commencing investigations/enforcement actions where necessary.

- Expansion of the Making Moves Section 8 Mobility Program Expansion to Newburgh and Ithaca: Mobility counseling programs such as Making Moves assist Section 8 voucher holders in overcoming barriers in accessing the well-resourced neighborhoods they may be interested in moving to. Studies have shown that although Housing Choice Vouchers nationally and in New York are concentrated in areas of poverty, the interventions and assistance provided in the mobility programs result in interested families moving out of areas of concentrated poverty at rates much higher than those without such assistance. In 2024, NYSHCR expanded its Making Moves program to three new counties, Orange, Dutchess, and Tompkins counties, adding to the Long Island, Westchester and Buffalo programs already established. Families with at least one child and a Section 8 voucher in one of the eligible service areas will be partnered with a mobility coach to assist with financial counseling, landlord outreach, and housing search assistance to aide in accessing well-resourced neighborhoods of their choosing.
- Searchability of State-Financed Affordable Housing Opportunities. The online application portal described more fully in Goal 2, will consolidate all of NYSHCR’s financed portfolio in one search portal across the state, and allows for online applications and lotteries. This portal will make searching and finding affordable housing opportunities in communities statewide more accessible for more New Yorkers.
- Removal of Housing Barriers for People with Criminal Legal System Backgrounds. NYSHCR implemented a policy in 2017 which prohibits housing providers of NYSHCR-financed units from rejecting applicants because of their criminal history without first conducting individualized assessments of the applicants and allowing them an opportunity to provide additional information. Since the establishment of NYSHCR’s policy, it has been recognized and used as a model by the New York City Department of Housing Preservation and Development, Maryland Department of Housing and Community Development, Chicago Department of Housing, and others. HUD’s April 2024 proposed rule, “Reducing Barriers to HUD-Assisted Housing”, also highlighted HCR’s policy among state and local initiatives that serve as examples for the policy changes that rule sought.
- Incentives to Development in Neighborhoods with High Levels of Community Resources. A main barrier to housing choice is the lack of available affordable units in neighborhoods with many community resources. As described in Goal 3 above, NYSHCR has recently developed the “Neighborhood Resource Index” which to incentivize affordable housing development in areas with higher community resources like parks, educational and job opportunities.. In the 2025 RFP for multifamily financing of 9% low-income housing tax credits, the NRI complements and replaces the “Well-Resourced Area” tracts that were previously used for development incentives.
- Disparate Impact Review of Marketing and Occupancy Policies. HCR continued review of the marketing and occupancy policies of State funded housing projects to ensure that New Yorkers can access affordable housing opportunities on equal footing regardless of their race/ethnicity or other protected status.
- Protections for Renters. Governor Hochul’s FY 2025 Executive Budget made annual rent increases above ten percent or five percent plus the Consumer Price Index (whichever is lower) presumptively unreasonable to protect tenants against price gouging and strengthens legal protections for covered renters in eviction proceedings, where applicable. These protections are mandatory in New York City; municipalities outside of New York City have the ability to opt-in to the program. To date, over 15 localities have adopted local laws to opt in.

GOAL 6: INCREASE ACCESS TO AFFORDABLE HOUSING THROUGH FAIR HOUSING EDUCATION AND ENFORCEMENT

New York remains committed to enforcing the full breadth of fair housing laws and holding violators accountable for discriminatory conduct. Recent efforts made to advance the goal of increasing access to affordable housing through fair housing education and enforcement include:

- Laws and Policies to Combat Home Appraisal Discrimination: As described above in Goal 4, a suite of actions is underway to enforce anti-discrimination principles in appraisals.

- Funding for Fair Housing Testing and Training: In 2024, NYSHCR released a notice of funding availability for its fair housing testing and training program, doubling the previous year’s amount from \$2.2 million to \$4.2 million. In the contract year ending in 2024, the 6 organizations that received funding for the Fair Housing Testing and Training Program conducted 89 fair housing training events reaching over 2,400 attendees, including realtors, housing providers, municipal officials and the general public. These organizations also conducted 810 fair housing tests for suspected discrimination based on domestic violence status, disability, race/color, source of income, among other protected statuses. Similar funding was allocated in Governor Hochul’s FY 2026 Enacted Budget.

NYSHCR’s Fair and Equitable Housing Office also conducted training on fair housing issues to an additional 630 New Yorkers ranging from other New York State agencies, homeless shelter service providers, community-based organizations working with those exiting incarceration, and members of the general public.

- Establishment of the Source of Income Early Intervention and Enforcement Unit. A joint effort by NYSHCR and the New York Division of Human Rights, as described more fully under Goal 5.
- Extension of the Statute of Limitations for Housing Discrimination. In November 2023, Governor Hochul signed a bill into law that extends the statute of limitations for unlawful housing discrimination. The new statute of limitations indicates that acts of unlawful discrimination under the New York State Human Rights Law, including housing discrimination, that occur after February 15, 2024, is 3 years, up from 1 year prior to that date.

GOAL 7: PROMOTE DEVELOPMENT OF AFFORDABLE HOUSING IN AREAS WHERE LAND USE AND DEVELOPMENT REGULATIONS PROVIDE BARRIERS

Exclusionary zoning and NIMBYism⁶ are critical impediments to the development of affordable housing and serve as major contributors to the continued inequity in housing and segregation. However, New York State remains committed to promoting inclusive housing policies in all communities across the state and addressing impediments to housing choice where they exist. Building on Governor Hochul’s five-year, \$25 billion Housing Plan to create and preserve 100,000 affordable homes, including in well-resourced areas throughout the state – the FY 2025 Executive Budget included the following tax incentives:

- Tax Incentive to Create New Housing. A new ten-year 485-x tax incentive program building on the now-expired 421-a incentive program, which provides benefits for housing construction throughout NYC, including in well-resourced areas. The program encourages affordability and delivers strengthened wage standards for building service and construction workers, where applicable.
- Tax Incentive Deadline Extension. An extension of the construction deadline for projects that had vested in the expired NYC 421-a tax incentive program through 2031. This deadline extension ensures thousands of previously at-risk rental units, including affordable housing, can be built.
- Tax Incentive for Commercial Conversions. A new property tax incentive to encourage affordability in commercial to residential conversions in NYC.

Additional updates toward this goal include the following efforts:

- Multiple Dwelling Law Amended to Loosen Restrictions on Housing Development. Governor Hochul’s FY 2025 Budget loosened Floor Area Ratio (FAR) cap restrictions on residential buildings by amending the State’s Multiple Dwelling Law (MDL). FAR is the ratio between a building’s usable floor area, and the lot size that the building is situated on. The amendment allows certain residential construction to exceed the antiquated 12 FAR cap that was implemented over 50 years ago.

⁶ NIMBY is an acronym for the phrase “not in my backyard” which refers to community residents’ resistance to new development (particularly affordable and/or supportive housing) in their local community.

- SEQRA Amendments to Streamline Development. In 2025, the New York State Department of Environmental Conservation (NYSDEC) proposed amendments to the State Environmental Quality Review Act (SEQRA), in response to the Environmental Justice Siting Law, which was signed by Governor Hochul in 2022. One such amendment includes streamlining the development of smaller multifamily residential construction projects by reclassifying them as a Type II Action, so that they are not subject to additional SEQRA review, provided they meet certain conditions.
- Plus One ADU Program. NYSHCR announced in May 2024, \$59 million in awards for the first two rounds of the state’s \$85 million ADU Plus One program. ADU Plus One increases housing supply by providing resources for low- and middle-income homeowners to build or improve an accessory dwelling unit on their property, thereby helping to remove barriers to building in low-density, well-resourced areas.
- Incentives for Pro-Housing Communities. In July 2023, Governor Hochul established the Pro-Housing Community Program, which recognizes and rewards municipalities actively working to unlock their housing potential and encourages others to follow suit. In the FY 2025 Executive Budget, Governor Hochul made the “Pro-Housing Community” designation a requirement for accessing up to \$650 million in State discretionary programs. NYSHCR certifies localities as “Pro-Housing Communities” when they commit to sharing housing growth data with the State, and either adopt pro housing resolutions or achieve housing growth targets. Governor Hochul’s FY 2026 Enacted Budget established the Pro-Housing Communities Supply Fund, which allocates an additional \$105 million in funding to assist with technical assistance and critical infrastructure projects necessary to create new housing, such as sewer and water infrastructure upgrades. As of July 2025, more than 515 New York municipalities have launched applications to be certified as a Pro-Housing Community, over 320 of which have already been certified.
- Incentives for Affordable Housing Development in Neighborhoods with High Levels of Community Resources. As described further in goals 3 and 5, HCR incentivizes through competitive allocation of funds affordable housing family projects that are sited in neighborhoods with high levels of local community resources.

GOAL 8: IMPLEMENT ENVIRONMENTAL JUSTICE PRINCIPLES IN STATE-FUNDED HOUSING IN RESPONSE TO CLIMATE CHANGE

Recent efforts made to further this goal include the following:

- Minimum and Stretch Sustainability Goals. NYSHCR’s Sustainability Guidelines, which have been published regularly since 2022, require all New Construction projects funded through any of NYSHCR’s multifamily Finance & Development programs (4%, 9%, stand alone, and Community Investment Fund residential) to be designed to high performance all-electric standards. NYSHCR requires projects that involve improvements to existing buildings (depending on their proposed scope) – such as adaptive reuse, moderate rehabilitation, and substantial rehabs – to meet various energy reduction and electrification minimum standards. Projects can receive further incentives/competitive points for committing to stretch goals.
- Clean Energy Initiative Program. The New York State Energy Research and Development Authority (NYSERDA) and NYSHCR have partnered to accelerate the decarbonization of NYSHCR’s affordable housing portfolio, through the Clean Energy Initiative (CEI). The program provides gap financing for existing affordable housing developments that receive NYSHCR financing and commit to highly efficient all-electric retrofits. One hundred million dollars have been made available for the CEI, through NYSEDA’s Clean Energy Fund (CEF), which is a \$5 billion, 10-year statewide fund established to support clean energy programs. To date, 76 projects have been awarded funding constituting 6,657 units using just over \$67 million of funding. The remaining funds will be committed to HCR projects by December 31, 2025.
- Climate Friendly Homes Fund. As part of the Governor Hochul’s \$25 billion 5-year Housing Plan, \$250 million was allocated over 5 years to electrify 10,000 homes. The Climate Friendly Homes Fund uses this funding to provide 5 to 10-unit buildings in low-to-moderate income census tracts or in disadvantaged communities funding to

electrify their heating and domestic hot water systems, as well as make upgrades to their existing building envelope and ventilation system. To date, NYSHCR has closed/awarded 21 projects, totaling 585 units, awarding just over \$9 million in funds. The Community Preservation Corporation, the administrator of the Fund, has an additional 4,300 units in the pipeline.

- Advancement of Zero-Carbon Multifamily Buildings. In April 2024, Governor Hochul awarded \$8 million to 9 projects from the 4th round of the Buildings of Excellence competition, which aims to advance zero-carbon multifamily buildings in New York. Funding for this program is provided through the State’s Regional Greenhouse Gas Initiative and the CEF. Most of the projects to be constructed will serve low-to-moderate income customers within disadvantaged communities.

CLOSING

NYSHCR is pleased to submit this interim report and looks forward to continuing the work of making New York a more equitable place to live for all New Yorkers.