



NYCOM Briefing on the 2026-27 Executive Budget

January 22, 2026

As a follow-up to the briefing you received on Tuesday, below is a more comprehensive summary of Governor Hochul's \$260 billion 2026-27 Executive Budget, highlighting proposals that directly or indirectly affect cities and villages. This document will be updated as our budget analysis continues. Please contact NYCOM Legislative Director Brian Coffin at Brian@nycom.org if you have any questions.

FINANCE

Temporary Municipal Assistance - The Executive Budget would continue to fund the \$50 million in unrestricted aid for cities (outside of NYC), villages and towns - extending this assistance for one more year. This is provided in addition to what you receive in AIM funding.

AIM Funding - The Executive Budget keeps AIM funding for cities (outside of NYC), villages and towns at the current year level of \$715 million.

Transportation Funding - The Executive Budget maintains funding at current year levels for the following programs: \$648 million for CHIPS, \$140 million for Touring Routes, \$100 million in Extreme Winter Recovery funding, \$150 million for PAVE-NY, \$200 million for BRIDGE-NY and \$100 million for the Pave our Potholes (POP) program. The Executive Budget does not include funding to support an increase in the arterial maintenance reimbursement rate.

Water and Sewer Infrastructure Funding - The Executive Budget includes a new \$750 million (\$3.75 billion over 5 years) for drinking water and wastewater infrastructure. The majority of this

funding (\$500 million) will go into the Water Infrastructure Improvement Grant Program. This investment also includes a new Smart Growth Water Grant Program (\$200 million) that will focus on sewer and water projects that directly enable the preservation and construction of new housing units and the creation of permanent jobs - with the remaining \$50 million being earmarked for rural communities. NYCOM will continue to advocate for a dedicated funding stream for cities and villages with municipal water and/or sewer systems.

NYBRICKS Initiative - The Executive Budget includes a second round of \$75 million in funding for the New York Building Recreational Infrastructure for Communities, Kids and Seniors (NYBRICKS) program. This funding would support municipalities and nonprofits in undertaking high-impact community center projects.

GOVERNMENT OPERATIONS & COMMUNITY DEVELOPMENT

SEQRA Reform to Streamline Certain Housing Projects - The Executive Budget proposes reforms to the State Environmental Quality Review Act (SEQRA) for the purpose of removing obstacles to building housing and other critical infrastructure projects, resulting in faster and cheaper development. Under this omnibus proposal, municipalities would retain full authority over:

- zoning compliance;
- site plan, subdivision, and special permit approvals; and
- local permitting and code enforcement.

Notably, the proposal would exclude certain types of housing development from SEQRA review. In addition, the amendment would establish a two-year time period by which environmental impact statements would be required to be completed. A more in-depth summary of the SEQRA reform proposal can be found [here](#). (TED, Part R)

New Affordable Housing Investment - The Executive Budget proposes \$250 million to accelerate affordable housing development, which is intended to speed up the construction of thousands more affordable homes and transformative projects within the coming fiscal year.

MOVE-IN NY Expansion - The Executive Budget seeks to grow the MOVE-IN NY program by providing more funding to support innovation in emerging factory-built and modular construction strategies.

Pro-Housing Communities Continuation - As part of the current state budget, the State made the Pro-Housing Community designation a requirement to receive certain discretionary funding, including through the Downtown Revitalization Initiative and the NY Forward Program, among others. The Executive Budget would continue to fund the current year's \$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. An additional \$5.25 million would be available for technical assistance grants.

Housing Access Vouchers Pilot Program - The Executive Budget provides \$50 million in new local assistance consistent with the four-year Housing Access Voucher Pilot Program designed to provide rental assistance in the form of housing vouchers for individuals and families who are homeless or who face an imminent loss of housing.

Land Bank Expansion - The Executive Budget includes a proposal to increase the cap on the number of land banks that can be established from the current limit of 35 to 45, which is intended to enable more communities to reclaim vacant properties and create more affordable housing. (ELFA, Part N)

Affordable Housing Rent Tax Exemption - The Executive Budget would enhance the tax exemption designed to incentivize alterations and improvements made to affordable multiple dwellings. (ELFA, Part O)

Addressing Homelessness - The Executive Budget includes \$153 million for the Homeless Housing and Assistance Program (HHAP) to provide capital resources to municipalities and not-for-profits to create permanent and supportive housing, specifically for homeless individuals. This is an increase of \$25 million over the current year budget.

Aggravated Harassment of a Rent Regulated Tenant - The Executive Budget would establish the crime of aggravated harassment of a rent-regulated tenant. (ELFA, Part P)

Downtown Revitalization Initiative and NY Forward - The Executive Budget includes \$100 million for another round of the Downtown Revitalization Initiative, where 10 communities would each receive \$10 million. In addition, the Budget includes \$100 million for the NY Forward program to help revitalize smaller, more rural downtowns. Municipalities will need to be certified Pro-Housing Communities to be eligible for this funding.

Regional Economic Development Councils (REDC) - The Executive Budget includes core funding of \$225 million in grants (\$150 million) and tax credits (\$75 million) to fund high-value regional priority projects.

Cannabis Community Grants Reinvestment Funds - The Executive Budget includes a new \$25 million grant fund for communities disproportionately impacted by past drug policies, including workforce development initiatives, housing, mental health, and afterschool programming.

Unlawful Use of a Drone - The Executive Budget would establish the unlawful use of a drone. Specifically, drones would be prohibited from being flown for nefarious purposes. The proposal would also authorize properly trained law enforcement officers to immobilize drones that are operating in violation of such law. (PPGG, Part D)

Auto Insurance Reform Measures - The Executive Budget would help deter fraudulent activities, which are driving up the costs of auto insurance and health care by expanding the definition of the Fraudulent Insurance Act to include a person who hires, requests, encourages, orchestrates, or invites another individual to stage a motor vehicle accident. The bill also revises the criteria for insurance fraud and health insurance fraud by lowering monetary thresholds required for the various felonies. Finally, the Executive Budget would allow insurers to offer auto insurance discounts when vehicle operators install and use dashboard cameras. (PPGG, Part F and TED, Part II)

Sensitive Locations Protection Act - The Executive Budget includes a proposal that would prevent civil immigration enforcement in non-public areas of schools, hospitals, childcare facilities, houses of worship, and other covered sites unless agents have a judicial warrant, requiring state, local and public authorities to deny such access and allowing private entities to adopt the same measures. (PPGG, Part L)

Recidivist Speeder Device - The Executive Budget would allow courts to order the installation of an "intelligent speed assistance device" which would limit the maximum speed a vehicle may go for drivers who have been convicted of multiple speeding violations. (TED, Part D)

Homeowners Insurance Discount - The Executive Budget would allow insurers to offer discounts for certain home improvement or features that reduce the risk to the structure. (TED, Part DD)

Autonomous Vehicle Demonstration Program - The Executive Budget would amend the Vehicle and Traffic Law to allow for-hire autonomous vehicle demonstration programs to be launched outside of New York City pursuant to regulations to be promulgated by the Department of Motor Vehicles and only in communities where there has been a "demonstration of support" from the municipality, county, and other local stakeholders. (TED, Part E)

Expansion of the Automated Work Zone Speed Enforcement Program - The Executive Budget would allow the automated work zone speed enforcement demonstration program to be used beyond controlled-access highways. (TED, Part G)

Interest Rate on Judgments - The Executive Budget includes language that would change the interest rate on court judgments or accrued claims from a 9% fixed rate to a market rate equal to the weekly average one-year Treasury bill rate. (PPGG, Part DD)

Utility Shut Offs for Tenants - The Executive Budget would prevent utility service companies and municipalities from terminating service to tenants for landlords' nonpayment. Covered utilities would include gas, electric, and water service provided by utility companies and municipalities and such entities would be required to relevel unpaid charges on the property. (TED, Part Q)

EMPLOYEE RELATIONS & PUBLIC SAFETY

Law Enforcement Technology Funding - The Executive Budget includes \$50 million for the Law Enforcement Technology (LETECH) grants, supporting agencies statewide in acquiring critical technologies and equipment to enhance crime prevention and community engagement. Qualifying purchases would include license plate readers, body-worn and vehicle equipment, and cameras to combat crime.

Improve Police Training Academies - The Executive Budget includes \$500,000 to develop an accreditation program that local agencies could opt into to ensure that all agencies have equal access to standardized information around best practices, which would help provide high-quality instruction, particularly for smaller and underserved departments.

ENERGY, ENVIRONMENT & TECHNOLOGY

Lead Service Line Replacement Funding - The Executive Budget would build upon the Governor's LIFT program to offer new funding opportunities for communities to identify and replace lead service lines, which directly supports the vital infrastructure work often managed by municipalities. This would provide financial assistance and support to local governments in their efforts to ensure safe drinking water for their residents.

Green Resiliency Grant Program - The Executive Budget proposes another round of the highly in-demand Green Resiliency Grant program to help municipalities replace hard surfaces with permeable landscapes, trees, and green systems that manage water where it falls. These projects reduce nuisance flooding, protect water quality, and improve public spaces in dense urban areas and small municipalities alike.

Flood Mitigation Through FloodSafe NY - The Executive Budget advances FloodSafe NY to better understand and manage flood risk by aligning watershed studies, implementation grants, and stream monitoring into a single, coordinated resiliency effort. Building on the Resilient NY program and the Resilient Watersheds Grant Program, this initiative is intended to help communities by identifying flood-prone areas and supporting practical mitigation strategies. FloodSafe NY seeks to strengthen the State's stream gauge network, giving local governments better data on flooding patterns and hydrologic trends.

Coastal Resiliency Grants - The Executive Budget advances a new round of grants to local communities for targeted projects that would strengthen shorelines, protect critical assets, and reduce flood risk in vulnerable communities. This effort would prioritize nature-based solutions such as living shorelines and restored wetlands that absorb storm impacts while improving water quality and ecosystem health.

Environmental Protection Fund - The Executive Budget maintains the Environmental Protection Fund at its current year level of \$425 million.

Flexibility for the Municipal Zero Emission Vehicles (ZEV) Grant Program - The Executive Budget would eliminate the maximum rebate a municipality may receive per ZEV and permit the rebates be granted until the annual allocation is exhausted. (TED, Part S)

Labeling for AI-Generated Content - The Executive Budget would require information that is disseminated to the public that includes synthetic content, or audio or visual content that has been generated or modified by artificial intelligence, to identify the digital content as synthetic and communicate that the content was created or modified using artificial intelligence. (TED, Part X)

OTHER GENERAL BUDGET HIGHLIGHTS:

Child Care Initiatives and Funding - The Executive Budget includes \$4.5 billion in funding across all child care and Pre-K programs. A few initiatives included in this funding are:

- **Child Care Friendly Zoning** - \$1 million to help communities adopt zoning regulations that will increase child care capacity for those localities that may be interested in such reforms;
- **New York City 2-Care** - \$73 million to begin a contract-based child care program for two-year-olds. The first year of the program would focus on high-need areas selected by New York City and is expected to enroll 2,000 children. When fully implemented, 2-Care is anticipated to serve 30,000 children;
- **2-Care Pilot Programs Outside NYC** - \$60 million to develop and administer 2-Care pilot programs in Dutchess, Monroe, and Broome counties. The programs will be jointly administered by the local districts and local child care coordinating entities.

Universal Free School Meals - The Executive Budget appropriates \$395 million to continue to fully fund the Universal Free School Meals program, enabling all students to eat school breakfast and lunch at no charge, regardless of income or the school they attend.

Labeling and Limiting AI Content in Elections - The Executive Budget would require that political communications that use completely AI-generated material, known as "materially deceptive media," identify who created or modified the digital content. The proposal would also prohibit the distribution of materially deceptive media 90 days before an election, without the express written consent of any depicted individual and made with the intent to include the result of an election. (PPGG, Part S)

Please note: References in parentheses at the end of certain descriptions refer to the Article VII bill where the proposed language can be found. Copies of all of the bills are available on the [Division of the Budget website](#).

Acronyms for Article VII Bills:

ELFA - Education, Labor and Family Assistance

PPGG - Public Protection and General Government

TED - Transportation and Economic Development

HMH - Health and Mental Hygiene

REV - Revenue

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