

CITY OF ALBANY



NEW YORK

ALBANY COMMON COUNCIL

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Via fax and regular mail

April 5, 2024

Governor Kathy Hochul
NYS State Capitol Building
Albany, NY 12224

Dear Governor Hochul,

With the City of Albany's 2024 Real Property Revaluation underway, our residents have reached out to us with renewed concerns on what the assessment will mean for the City's long-term affordability. While we understand that regular revaluations are key to equitably redistributing the City's property tax burden, recent trends in the housing market have led to properties becoming more valuable as investments than homes. This, in turn, has driven up property values for many people who call Albany home, and coupled with the uniquely unfair property tax burden that we face as the capital of New York, has exacerbated the City's affordability crisis.

As a steward of New York's Real Property Tax Law, we ask that you work with our legislative representatives to take the following common-sense actions without delay:

- 1. Amend RPTL Section 467 to create a local option to raise the income limit for senior citizen property tax exemptions.** Current income limits are inconsistent between these exemptions and those provided for by STAR. Increasing the senior citizen property tax income limit would allow seniors on fixed incomes to better adapt to fluctuations in the housing market.
- 2. Amend RPTL Section 1903 to create a local option to reclassify 2-3 family properties as non-homestead properties.** Under current state law, 2-3 family properties receive the same preferential treatment as single-family residences, despite often being used as commercial investment properties which generate rental income. By reclassifying these properties as non-homestead properties, the City could more equitably redistribute the tax burden felt by both homeowners and tenants alike.
- 3. Initiate state-led efforts to encourage municipalities to complete revaluation projects with greater frequency.** Municipalities throughout the state are faced with a similar problem as the City of Albany: Waiting too long to conduct a revaluation leads to significant and unexpected changes to property values and property owners' tax liability. At the same time, not conducting a revaluation effectively cements a regressive tax structure among property owners. While outside forces like the COVID-19 pandemic can contribute to delays in revaluation projects, only regular revaluations can truly and fairly assess how a municipality allocates its tax burden. When assessed valuations drift too far

from actual valuations, the State must step in to assist municipalities in transitioning to regular assessments.

- 4. Secure and make permanent substantial increases in Capital City Funding and Aid and Incentives for Municipalities funding.** While options to expand certain exemptions and more equitably redistribute residential and commercial property taxes will alleviate some of the assessment's impact on our residents, the fact is that all property owners in the City of Albany are faced with a uniquely unfair property tax burden. Nearly 63% of all property in the City of Albany is nontaxable, much of it owned by the State of New York. That leaves the 37% of property occupied by homeowners, tenants, and businesses to shoulder 100% of the City's property tax burden. That's 37% paying for 100% of our streets, our emergency services, and our historic parks—resources that the State and its workforce enjoy every day. The cost of maintaining these services is rising. Capital City Funding, meanwhile, plateaued at \$15 million in 2022; both it and AIM funding have seen only modest increases in recent memory. The result is a widening gap between the cost of providing essential municipal services and our ability to secure the revenue needed to deliver them. We're proud to be the capital of New York, but we cannot accept increasing unaffordability as the cost of doing business with the State of New York. It's time for the State to contribute its fair share of both Capital City Funding and AIM funding.

Together and apart, these measures will have an immediate impact on the quality of life of homeowners, tenants, and businesses in the City of Albany. We ask that you will take swift action on our recommendations, and we thank you for your continued partnership.

Sincerely,

Hon. Corey Ellis
President

Hon. Meghan Keegan
Ward 9 Representative

Hon. Kelly Kimbrough
President Pro Tempore
Ward 4 Representative

Hon. Owusu Anane
Ward 10 Representative

Hon. Ginnie Farrell
Majority Leader
Ward 13 Representative

Hon. Alfredo Balarin
Ward 11 Representative

Hon. Sonia Frederick
Ward 1 Representative

Hon. Deborah Zamer
Ward 14 Representative

Hon. Gabriella Romero
Ward 6 Representative

Hon. Thomas Hoey
Ward 15 Representative

CC: Assemblymember Patricia Fahy
Senator Neil Breslin