

Kathy Hochul Plots N.Y. Comeback in First State Address as Governor

Laura Nahmias and Keshia Clukey, Bloomberg News



Kathy Hochul, Bloomberg

(Bloomberg) -- New York Governor Kathy Hochul has, for her first four months in office, defined herself in terms of who she isn't -- former Governor Andrew Cuomo, who resigned last August over sexual harassment allegations and an impeachment investigation by lawmakers tired of his bullying and aggressive politicking.

But when Hochul delivers her first State of the State address Wednesday, an annual speech laying out a governor's legislative agenda, she'll get her first real opportunity to define her leadership through her own policy ideas and sketch her vision for how New York can emerge from the pandemic and revive its economy.

"New York is due for a comeback the likes of which this country has never seen," she said in a message posted on Twitter Tuesday announcing the address. This is a "fight for our future."

Indeed, there's a short runway for Hochul, who will have just a couple weeks to deliver a \$200 billion budget proposal by Jan. 18 and is already gearing up for a Democratic primary contest in June. While she plots the state's economic comeback, she also has to contend with the continuing assault by a virus that has infected nearly a fifth of state residents since it hit New York in March 2020. With Covid-19 cases again surging, there are long lines for testing, and staff shortages at hospitals, schools and transit operators.

At the same time, voters and lawmakers alike still have little sense of the former lieutenant governor's policy priorities because she's known for expertly avoiding controversy, said Na'ilah Amaru, a Democratic strategist and former executive director of the New York City Council's Black, Latino and Asian Caucus.

"When you go into budget season and legislative season, you're going to, if not make enemies, you're going to upset people," Amaru said.

Team Player

Cuomo had a notoriously adversarial relationship with New York City's former mayor Bill de Blasio. Hochul has already made symbolic overtures to his successor, Eric Adams, signaling a reset of the relationship between the heads of state and city. She appeared alongside Adams on election night and pledged to work with him.

"This is all a matter of style," said Ken Sherrill, a professor emeritus of political science at Hunter College. "She's been masterful, I think, at presentation of herself, ever since she took office."

Hochul's policy speech, which sets the stage for her budget proposal, is a major platform for her to draw distinctions between her administration and the Cuomo era and better define how she'll work with legislative leaders.

Even the setting for her speech at the State Capitol's Assembly Chamber, where it was held for years before Cuomo moved it to Albany's larger convention center, is a "symbolic move" that shows Hochul views the Legislature as a co-equal branch of government, said Blair Horner, executive director of the New York Public Interest Research Group.

Ethics Reform

While light on details so far, Hochul has ruled out raising taxes on the wealthy. Lawmakers are watching for potential initiatives around economic development, housing, bail reform, health care and areas that the federal Build Back Better bill would have addressed, such as infrastructure and universal childcare.

She has also promised a focus on economic development plans with a spotlight on New York City, where she would benefit from the support of Adams and the millions of downstate Democratic voters she'll need in the 2022 primary contest.

Hochul's office also said one area she plans to pursue is ethics reform. Specifically, she wants to pass a constitutional amendment to limit governors and other statewide elected officials to no more than two terms and ban them from earning outside income.

In a gesture of goodwill to the Legislature, the measure excludes state Assembly and Senate members. And while a number of good government groups and lawmakers praised Hochul's initial proposal, some pushed her to go further and overhaul the Joint Commission on Public Ethics, a state watchdog that has been criticized for being ineffective.

Ethics reform is both good policy and good politics, said Horner. "She has to tackle ethics. She became governor as a result of the scandal."

Proponents of affordable housing say they are anticipating Hochul's speech to also address the state's current shortage. New York needs more than 600,000 housing units for low-income residents, according to the National Low Income Housing Coalition. A group of housing advocates have called on her to expand the state's current five-year, \$2.5 billion housing plan and invest \$6 billion in affordable housing over the next five years.

Hochul, 63, who led the state's economic development councils as lieutenant governor, has made transportation and economic development announcements in recent months, including the continuation of renovation projects at John F. Kennedy International Airport. But emphasizing affordable housing alongside those projects would mark another break from Cuomo, who focused more on splashier endeavors like building the Mario Cuomo Bridge, named for his father, and expanding Manhattan's Penn Station with the Moynihan Train Hall.

Rosier Outlook

Unlike in previous years, when Cuomo had to balance new policy proposals against the reality of significant budget deficits, New York is currently flush with cash -- a massive infusion of federal stimulus funds and better-than-expected tax revenues have left the state with balanced budget forecasts for the next several years. New York had spent only about \$10 billion of the \$26 billion in federal Covid-19 relief funds as of Nov. 30, according to the state comptroller.

The governor also faces a rosier political outlook. New York Attorney General Letitia James's decision to drop out of the 2022 governor's race eased some pressure on Hochul of having to tailor her policy proposals to appeal to left-leaning elected officials, labor unions and other Democratic constituencies she would have needed to win over before facing one of the several Republicans vying to challenge her in November.

Although she still faces primary opponents on the left, including New York City Public Advocate Jumaane Williams and, potentially, de Blasio, Hochul's path to victory is much clearer without James. And in the weeks since James announced her decision not to run, Hochul has rolled out a steady stream of endorsements from Democratic elected officials whose favor she might otherwise still be courting.

"She's in a stronger position today," said political consultant Bruce Gyory. "She doesn't have to make a hard choice of saying I have to reach out only to my left."

Hochul, a Buffalo native, rose from councilwoman in the town of Hamburg to become Erie County clerk and eventually a member of Congress in one of New York's most conservative districts before she lost her House seat in 2012 and became Cuomo's lieutenant governor in 2014.

Along the way, she faced criticism for shifting her positions on issues like allowing undocumented immigrants to obtain drivers' licenses, a policy she opposed as Erie County clerk in 2007.

Many New Yorkers say they still don't know enough about her to feel comfortable voting for Hochul in November. Although 42% of voters held a favorable opinion of Hochul, 30% said they still have an opinion one way or the other, according to a Siena poll conducted last month.

Now, "she'll have the ability to pick and choose and have a balanced message that has a lot of progressive nuggets but doesn't endanger how she's seen, which is as a more moderate Democrat," Gyory said.