

Fiscal Impact Statement Prepared By New York City Mayor's Office of Management and Budget



Jacques Jiha, PhD, Budget Director

Disclaimer: This fiscal impact statement is a preliminary estimate and subject to change based upon further data analysis or changes in bill text. This legislation is summarized as understood by the administration as of the date this statement was prepared and does not include or consider subsequent text changes. This fiscal impact statement is not legally binding on the administration. "Total" columns represent the respective sum over a four-year period; note that fiscal impacts continue after year four. Unless otherwise stated, information used in the preparation of this Fiscal Impact Statement is sourced from the agencies impacted and the NYC Mayor's Office of Management and Budget.

Proposed Intro No. / Title: *Int. 994-A / Requiring that tenant-occupied dwellings be provided with cooled and dehumidified air*

Sponsors: Restler, Nurse, Joseph, Hudson, Ossé, Krishnan, Avilés, Cabán, Abreu, Hanif, Stevens, Williams, Hanks, Marte, Salaam, Won, Louis, Gutiérrez, Bottcher, De La Rosa, Narcisse, Brannan, Feliz, Ayala, Powers, Gennaro (by request of the Brooklyn Borough President)

Committee: Housing and Buildings

Summary of Legislation: This legislation requires owners of multiple dwellings and tenant-occupied 1- or 2-family dwellings to keep unit(s) equipped with 1 or more cooling systems if the tenant of the unit has opted in to requiring the owner to maintain an indoor air temperature of at least 78 degrees Fahrenheit from June 15 to September 15. Extensions may be granted to qualifying owners in 2-year increments. The New York City Housing Authority (NYCHA) will be considered compliant if they present a cooling plan by January 1, 2028 which outlines how NYCHA will provide cooling across their portfolio, and to provide adequate cooling to at least one covered room in at least 25% of covered dwelling units by June 1, 2030.

Effective Date: Immediately after enactment; changes to the New York City Building Code will take effect on June 1, 2030

First Fiscal Year Legislation Takes Effect: Fiscal Year 2026

First Fiscal Year with Full Impact: Fiscal Year 2029

Agencies Impacted: Department of Housing and Preservation, Department of Buildings, New York City Housing Authority

Fiscal Impact Analysis

A. Total Impact (Expense and Revenue)

	Fiscal Year 1	Fiscal Year 2	Fiscal Year 3	Fiscal Year 4	Total
Expense	0	0	0	(\$282,000)	(\$282,000)
Revenue	0	0	0	0	0
Total	0	0	0	(\$282,000)	(\$282,000)

B. Expense

	Fiscal Year 1	Fiscal Year 2	Fiscal Year 3	Fiscal Year 4	Total
Expenditures	0	0	0	(\$282,000)	(\$282,000)

Impact on Expenditures (Expense):

It is anticipated that NYCHA would require \$282,000 in annual Other than Personal Services (OTPS) resources, beginning in Fiscal Year 2029, to replace A/C filters bi-annually in units.

It is additionally anticipated that the Department of Housing Preservation and Development may require additional Personal Service (PS) and OTPS resources to enforce the legislation, however, further analysis of the universe of implicated units is needed to determine an associated cost projection.

C. Revenue

	Fiscal Year 1	Fiscal Year 2	Fiscal Year 3	Fiscal Year 4	Total
Revenue	0	0	0	0	0

Impact on Revenue:

There is no anticipated impact on revenue.

D. Capital

	Fiscal Year 1	Fiscal Year 2	Fiscal Year 3	Fiscal Year 4	Total **for 25% goal only**
Expenditures	0	0	(\$34,00,000)	(\$34,000,000)	(\$68,000,000)

Impact on Expenditures (Capital):

Under this legislation, NYCHA must develop a plan to provide cooling in all 177,565 units across their portfolio. In order to comply with the 25% target by 2030, NYCHA would most likely not have the time to perform the level of capital work required for cooling methods besides window A/C units. To reach the 25% compliance target by 2030, NYCHA will need to install A/C units at a total upfront capital cost of approximately \$68 million.

Depending on the analysis as part of its required cooling plan, NYCHA may be able to consider alternative cooling methods which are better equipped to address the greenhouse gas emission reduction goals of Local Law 97 of 2019—a goal which could not be achieved solely through using window A/C units across the entirety of NYCHA's portfolio—among other benefits.

The specific cooling method(s) used would be dependent on site-specific evaluation of the current state of infrastructure at developments. One cooling method that will likely be used at a number of sites would be

heat pumps – this amounts to \$25,000 per apartment (at an average 3.1 heat pumps per applicable unit) if a site does not require electrical upgrades. If a site requires electrical upgrades, the cost would be higher.