



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION**

LATONIA MCKINNEY, DIRECTOR

FISCAL IMPACT STATEMENT

PRECONSIDERED INTRO. NO.

COMMITTEE: Recovery and Resiliency

TITLE: A Local Law in relation to special provisions for approval of demolition and construction work by city contractors under the “build it back” disaster recovery program

SPONSORS: Council Member Treyger (by request of the Mayor)

SUMMARY OF LEGISLATION: The City has implemented a disaster recovery program known as the Build it Back program for the recovery of residential property damaged or destroyed during Superstorm Sandy. This legislation would allow full demolitions and elevations of one- to four-family dwellings to proceed even where an existing violation or other condition may have previously delayed such work. This legislation applies only where such work is being funded under the Build it Back program through a contract held by the Department of Environmental Protection (“DEP”), the Department of Design and Construction (“DDC”), or the Department of Housing Preservation and Development (“HPD”). Lastly, this bill would also waive certain civil penalties for such buildings.

EFFECTIVE DATE: This local law would take effect immediately.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2017

FISCAL IMPACT STATEMENT:

	Effective FY17	FY Succeeding Effective FY18	Full Fiscal Impact FY17
Revenues (+)	\$(20,000)	\$0	\$(20,000)
Expenditures (-)	\$0	\$0	\$0
Net	\$(20,000)	\$0	\$(20,000)

IMPACT ON REVENUES: It is anticipated that this legislation would impact revenues as a result of the waiver of civil penalties for pre-existing violations for work without a permit that, without the passage of this legislation, would otherwise be required to be paid prior to the Build it Back permits being issued. According to the Administration, based on a review of the properties currently enrolled in the Build it Back program, approximately 31 properties would be eligible for such a waiver. Assuming all 31 properties were granted a waiver, then the amount of civil penalties waived would be approximately \$20,000. This estimate is based on the minimum penalty amount for performing work without a permit which is \$500 for one- and two-family dwellings and \$5,000 for three- and four-family dwellings. It is also possible that properties that had previously exited the program would be eligible for re-entry and, by extension, eligible for the waiver in this legislation. This would further reduce revenues.

IMPACT ON EXPENDITURES: It is anticipated that there would be no impact on expenditures resulting from the enactment of this legislation as existing resources can be used to implement this law.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: N/A

SOURCES OF INFORMATION: New York City Council Finance Division
City Legislative Affairs

ESTIMATE PREPARED BY: Jonathan K. Seltzer, Legislative Financial Analyst

ESTIMATE REVIEWED BY: Nathan Toth, Deputy Director, Finance Division

LEGISLATIVE HISTORY: This Preconsidered Intro. will be considered by the Committee on Recovery and Resiliency at a hearing held on October 27, 2016. Upon a successful vote by the Committee, the Preconsidered Intro. will be submitted to the full Council for introduction and vote on October 27, 2016.

DATE PREPARED: October 26, 2016