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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 30-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to the recovery of relocation expenses incurred by the department of housing preservation and development pursuant to a vacate order | **Sponsors:** Chin, Cornegy, Brannan, Levine, Rivera, Lancman, Kallos and Rosenthal |

**Summary of Legislation:** Proposed Intro. No. 30-A would establish that outstanding charges resulting from relocation expenses incurred by the Department of Housing Preservation and Development (HPD) following the issuance of certain vacate orders constitute a tax lien on a property.

**Effective Date:** This local law would take effect two years after it becomes law, except that the Commissioner of HPD may take such measures as are necessary for its implementation, including the promulgation of rules, prior to such effective date.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2023

**Fiscal Impact Statement:**

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|  | **Effective FY22** | **FY Succeeding Effective FY23** | **Full Fiscal Impact FY23** |
| **Revenues** | $784,433 | $1,045,911 | $1,045,911 |
| **Expenditures** | $0 | $0 | $0 |
| **Net** | $784,433 | $1,045,911 | $1,045,911 |

**Impact on Revenues:** It is estimated that the enactment of this legislation would have impact on revenues. This revenue estimate assumes that buildings subject to liens for relocation expenses would pay base fines before penalties and interest accrue. According to the December 2018 HPD monthly shelter census report, the average daily overnight census count for households utilizing temporary housing was 908 households. Additionally, according to information available on NYC Open Data, from January 2018 to December 2018, the City issued 642 vacate orders in total, including 33 vacate orders resulting from uninhabitable conditions. Thus, this estimate assumes that HPD-issued vacate orders related to habitability account for about five percent of the annual share of vacate orders issued and of households utilizing temporary housing. Applying this percentage to the estimated $20.9 million annual budget for HPD administered emergency facilities, this estimate assumes about $1.0 million in annual temporary shelter costs are not currently collected and would now be subject to further enforcement under the legislation, and therefore would result in approximately $1.0 million in additional annual revenue beginning in Fiscal 2023. The prorated amount for Fiscal 2022 is estimated to be approximately $785,000.

**Impact on Expenditures:** It is anticipated that there would be no impact on expenditures resulting from the enactment of this legislation because existing resources would be used by HPD and the Department of Finance (DOF) to implement its provisions.

**Source of Funds To Cover Estimated Costs:** N/A

**Source of Information:** New York City Council Finance Division

New York City Open Data

HPD Monthly Shelter Census Report for the month of December 2018 (Local Law 37 report)

**Estimate Prepared by:** Sarah Gastelum, Principal Financial Analyst

**Estimated Reviewed by:** Noah Brick, Assistant Counsel

Chima Obichere, Unit Head

**Legislative History:** This legislation was introduced to the full Council on January 31, 2018 as Intro. No. 30 and was referred to the Committee on Housing and Buildings (Committee). The Committee heard the legislation on December 13, 2018, and the legislation was laid over. The legislation was subsequently amended and the amended legislation, Proposed Intro. No. 30-A, will be considered by the Committee on August 14, 2019. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on August 14, 2019.

**Date Prepared:** August 7, 2019