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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 1211-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to the department of housing preservation and development requiring that a percentage of dwelling units in housing development projects receiving city financial assistance be set aside for homeless individuals and families. | **Sponsors:** Council MembersSalamanca, Levin, Cornegy, Brannan, Lander, Reynoso, Torres, Barron, the Public Advocate (Mr. Williams), Ayala, Diaz, Gibson, Levine, Cabrera, Lancman, Espinal, Adams, Moya, Rivera, Kallos, Rosenthal, Rodriguez, King, Ampry-Samuel, Eugene, Menchaca, Chin, Cumbo, Van Bramer, Gjonaj, Perkins, Cohen, Constantinides, Richards, Holden, Koslowitz and Ulrich |

**Summary of Legislation:** Proposed Intro. No. 1211-A would require the Department of Housing and Preservation (HPD) to require developers who receive City financial assistance for new construction of housing development projects with 41 or more units to set aside for homeless individuals and families at least 15 percent of dwelling units offered for rent in each housing development project. HPD would also be required to annually report to the Mayor and the Speaker of the Council on the number of units set aside for homeless individuals and families in each housing development project and housing preservation project that has received City financial assistance, as well as whether the project is a supportive housing project.

**Effective Date:** This local law would take effect July 1, 2020.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2021

**Fiscal Impact Statement:**

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|  | **Effective FY21** | **FY Succeeding Effective FY22** | **Full Fiscal Impact FY21** |
| **Capital Expenditures[[1]](#footnote-1)** | $17,100,00 | $17,100,00 | $17,100,00 |

**Impact on Revenues:** It is estimated that there would be no impact on revenues resulting from the enactment of this legislation.

**Impact on Expenditures:** It is estimated that the enactment of this legislation would result in additional capital expenditures for residential projects financed by HPD. Over the five-year period from 2014 to 2018, HPD financed the construction of 1,459 homeless units, or about 300 units annually; this accounts for about three percent of HPD’s annual housing production of newly constructed units. The cost of financing 300 homeless units annually is already assumed and accounted for in the City’s financial plan and are thus not included in this cost estimate. As such, it is estimated that the additional subsidy necessary to meet the requirements of this legislation would be approximately $17.1 million in total for all covered units. Lastly, it is anticipated that the reporting requirements of this legislation would be implemented using existing expense budget resources.

**Source of Funds To Cover Estimated Costs:** City Capital Budget

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

New York City Department of Housing Preservation and Development

New York City Department of Social Services

New York City Open Data (Local Law 44 Data)

Mayor’s Office of City Legislative Affairs

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

**Estimated Reviewed by:** Chima Obichere, Unit Head

Rebecca Chasan, Senior Counsel

**Legislative History:** This legislation was introduced to the full Council on October 31, 2018 as Intro. No. 1211 and was referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on January 14, 2019 and the legislation was laid over. The legislation was subsequently amended, and the amended version, Proposed Intro. No. 1211-A, will be considered by the Committee on December 18, 2019. Upon a successful vote by the Committee, the legislation will be submitted to the full Council for a vote on December 19, 2019.

**Date Prepared:** December 17, 2019

1. Capital Expenditures as a component of the City’s Capital Budget. [↑](#footnote-ref-1)