

# 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. 958 / Creation of affordable homeownership opportunities*

**Sponsors:** Adams, Powers, Farías, Hudson, Williams, Louis, Banks, Sanchez, Stevens, Mealy, Ayala, Riley, Narcisse

**Committee:** Housing and Buildings

**Summary of Legislation:** This legislation requires that the Department of Housing Preservation and Development (HPD) have 4% of all newly constructed affordable units be homeownership opportunity units. The legislation further requires that 60 percent of the homeownership opportunity units constructed be reserved for first time home buyers who are income eligible.

**Effective Date:** Immediately upon enactment

**First Fiscal Year Legislation Takes Effect:** Fiscal Year 2027

**First Fiscal Year with Full Impact:** Fiscal Year 2027

**Agencies Impacted:** Housing Preservation and Development

## 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	0	0
Revenue	0	0	0	0	0
Total	0	0	0	0	0

**B. Expense**

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

**Impact on Expenditures (Expense):**

There is no anticipated impact on expense expenditures.

**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
Expenditures	(\$85,000,000)	(\$85,000,000)	(\$85,000,000)	(\$85,000,000)	(\$340,000,000)

**Impact on Expenditures (Capital):**

The estimated impact on capital expenditures is \$85,000,000 annually for HPD to create additional homeownership units to comply with the legislation.

Additionally, this legislation could result in a decrease in affordable rental unit production of 200 to 600 units per year. Note that costs are highly dependent on a variety of factors including, but not limited to, housing market conditions, the interest rate environment, and overall capital spending by HPD.