|  |  |
| --- | --- |
|  | **The Council of the City of New York**  **Finance Division**  **Tanisha S. Edwards, Esq., Chief Financial Officer, and Deputy Chief of Staff to the Speaker**  **Fiscal Impact Statement**  **Proposed Intro. No: 76-A**  **Committee:** Resiliency and Waterfronts |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to establishing a program to provide financial assistance for the purchase and installation of backwater valves | **Sponsor(S):** By Council Members Brannan, Gennaro, Cabán, Yeger, Brooks-Powers, Richardson Jordan, Avilés, Schulman, Fariás, Holden, Lee, Williams, Kagan, Nurse, Narcisse Ariola, Vernikov and Paladino |

**Summary of Legislation:** The bill would require the City to release a report no later than December 1, 2024, evaluating backwater valves and their benefits. The City will then establish a program to provide financial assistance for the purchasing and installation of backwater valves by April 1, 2025, provided that the New York City Water Board or any other public entity or any entity acting on behalf of a public entity, has not already established a financial assistance program for the installation of backwater valves.

**Effective Date:** This local law takes effect immediately.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal Year 2026

**Fiscal Impact Statement:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Effective FY23** | **Fiscal Impact**  **FY24** | **Fiscal Impact FY25** | **Fiscal Impact FY26** |
| **Revenues** | $0 | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $6.3M-$11.6M | $15.9M-$29.1M |
| **Net** | $0 | $0 | $(6.3M-11.6M) | $(15.9M-29.1M) |

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

**Impact on Expenditures:** As the details of the level and scope of the financial assistance to be provided by the City for backwater valve installation will not be determined until after a study is conducted, the possible fiscal impact is shown as a range for each year, based on assumptions made on the following unknown factors:

* -The number of properties that would be eligible for financial assistance and eligibility requirement
* -The number of the eligible properties that would need a backwater valve and their participation rate in the program
* -The portion of the cost for purchasing and installing a backwater valve that the City will reimburse for this program and whether that amount will vary by property
* -Any constraints the City will place on the program, such as a sunset date or requirements for eligible properties to be able to receive financial assistance, such as documentation of a prior sewage backup

For the purposes of this estimate, the number of eligible properties was determined using NYC Open Data of the properties in the Moderate Stormwater Flood Zone under current sea levels. The estimate also assumes that 10% of eligible properties receive financial assistance in the first year of the program and 25% in the second. The low end of the fiscal impact cost estimate range assumes that the City follows a model similar to the City of Albany, NY, and places a cap at $2,000 for reimbursement, limits the number of eligible properties, and also requires documentation of a past sewage backup. The high end of the fiscal impact cost estimate range assumes that the City covers 75% of the cost of purchase and installation up to $5,000 and factors in the varying costs of installation depending on building size. The estimate assumes costs in Fiscal 2027 to be similar to costs between Fiscal 2025 and Fiscal 2026 and then in future years the annual cost would drop precipitously as demand for backwater valves is met.

**Source of Funds To Cover Estimated Costs:** General Fund

**Source of Information:** NYC City Council Finance Division, NYC Department of Environmental Protection

**Estimate Prepared By:** Andrew Lane-Lawless, Financial Analyst, NYC Council Finance Division

**Estimate Reviewed By:** Masis Sarkissian, Unit Head, NYC Council Finance Division

Crilhien Francisco, Assistant Director, NYC Council Finance Division

Chima Obichere, Unit Head, NYC Council Finance Division

Jonathan Rosenberg, Managing Deputy Director, NYC Council Finance Division

**Legislative History:** The legislation was introduced to the full Council on March 10, 2022, as Intro. 76 and referred to the Committee on Resiliency and Waterfronts (the Committee) and re-referred to the Committee on March 15, 2022. The legislation was considered by the Committee on Resiliency and Waterfronts and the Committee on Fire and Emergency Management at a joint hearing held on April 11, 2022, and was Laid Over by the Committee. It was subsequently amended, and the amended version Proposed Intro. No. 76-A will be considered by the Committee on December 7, 2022. Upon successful vote by the Committee, Proposed Intro No. 76-A, will be submitted to the full Council for a vote on December 7, 2022.

**Date Prepared:** 12/2/2022