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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Intro. No: 1586**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend local law number 50 for the year 2015, relating to the preservation of certain hotels, a moratorium and report relating to such preservation, and the expiration and repeal of such amendments, in relation to extending the effective period of the provisions of such local law and requiring a supplemental report relating to such preservation. | **Sponsor(s):** Council Members Torres, Menchaca, Cumbo, Van Bramer, Richards, Levine, Rose, Espinal, Salamanca, Rosenthal, Rodriguez, Gibson, Chin, Cohen, Constantinides, Deutsch, Dromm, Ferreras-Copeland, Gentile, Johnson, Kallos, King, Koslowitz, Lancman, Lander, Levin, Maisel, Mendez, Miller, Palma, Perkins, Reynoso, Treyger, Williams, Wills, Vacca, Cabrera, Eugene, Grodenchik, Cornegy, Crowley, Borelli and Ulrich |

**Summary of Legislation:** Intro. No. 1586 would extend the limitations placed by Local Law 50 of 2015 on the conversion of certain hotel space for purposes other than use as a hotel from June 2, 2017 to June 2, 2019. Local Law 50 of 2015 restricts hotels having 150 units or more from converting more than 20 percent of the floor area used for sleeping accommodations to a different use without a waiver. As such, with the passage of this bill, in order to convert additional hotel space during the two-year period, a hotel owner will continue to apply to the Board of Standards and Appeals for a waiver in accordance with §25-703 of the Administrative Code of the City of New York.

In addition, this bill would also require that one or more City agencies designated by the Mayor complete a supplementary report, by June 2, 2018, outlining the short-term and long-term economic effects of hotel conversions on the City, including its effects on employment. The report would include recommendations for the preservation of hotels, including zoning amendments, regulatory actions and financial incentives to enhance the hotel industry.

**Effective Date:** This local law would take effect immediately and would expire and be deemed repealed June 2, 2019.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2018

**Fiscal Impact Statement:**

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|  | **Effective FY17** | **FY Succeeding Effective FY18** | **Full Fiscal Impact FY18** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $0 | $0 | $0 |
| **Net** | $0 | $0 | $0 |

**Impact on Revenues and expenditures:** It is anticipated that this legislation would have no impact on expenditures. Since this legislation is a straight extension of an existing Local Law, its passage should not have any new impact on the collection of hotel tax revenue. Additionally, it is estimated that this legislation would not have an impact on revenues or expenditures because the Board of Standards and Appeals would use existing resources to review applications for waivers and to hold public hearings.

**Source of Funds To Cover Estimated Costs:** Not applicable.

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

**Estimate Prepared by:** Sarah Gastelum, Senior Legislative Financial Analyst

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

Nathan Toth, Deputy Director

Eric Bernstein, Counsel

**Legislative History:** This legislation was introduced to the full Council on April 25, 2017 as Intro. No. 1586 and was referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on May 2, 2016, and the bill was laid over. The Committee will vote on Intro. No. 1586 on May 8, 2017. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on May 10, 2017.

**Date Prepared:** May 5, 2017