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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 918-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to professionally certified applications for construction document approval and final inspections of permitted work | **Sponsors:** Council Members Chin, Menchaca, Johnson, Kallos, Levin, Levine, Mendez, Reynoso, Rosenthal, Lander, Rodriguez, Van Bramer, Rose, Richards, Salamanca, Cumbo, Williams, Perkins, Espinal, Torres, Cornegy, Dromm, Maisel and Ferreras-Copeland |

**Summary of Legislation:** Proposed Intro. No. 918-A would require the Department of Buildings (DOB) to audit 25 percent of professionally certified applications for rent-regulated buildings, affordable housing projects or multiple dwellings which are the subject of a rent overcharge application and which are at least 25 percent occupied, on a monthly basis. This bill would also prohibit professional certified applications where buildings are listed on the Department of Housing Preservation and Development’s website as having been subject to a finding of harassment.

**Effective Date:** This local law would take effect 120 days after it becomes law, except that the Commissioner of Buildings may take such measures as are necessary for its implementation, including the promulgation of rules, prior to its effective date.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2019

**Fiscal Impact Statement:**

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|  | **Effective FY18** | **FY Succeeding Effective FY19** | **Full Fiscal Impact FY19** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $201,660 | $403,320 | $403,320 |
| **Net** | $201,660 | $403,320 | $403,320 |

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

**Impact on Expenditures:** Although the legislation does not mandate that DOB hire new staff to meet the provisions of this bill, the agency has informed the Council that it would need to add an additional three staff to perform the monthly audits required under the bill. The total annual cost of these additional staff members is estimated to be $403,320, including fringe benefits. For Fiscal 2018, due to timing the prorated half-year cost is estimated to be $201,660.

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

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

Mayor’s Office of Legislative Affairs

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

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

Nathan Toth, Deputy Director

Rebecca Chasan, Counsel

**Legislative History:** This legislation was introduced to the full Council on September 30, 2015, as Intro. No. 918 and was referred to the Committee on Housing and Buildings (Committee). A hearing was held by the Committee on April 18, 2016, and the bill was laid over. The legislation was subsequently amended, and the amended version, Proposed Intro. 918-A, will be considered by the Committee on August 8, 2017. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on August 9, 2017.

**Date Prepared:** August 4, 2017