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|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 934-A**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to the creation of a real time enforcement unit in the department of buildings | **Sponsors:** Levin, Reynoso, Chin, Espinal, Johnson, Kallos, Levine, Menchaca, Rosenthal, Gentile, Koo, Lander, Lancman, Rodriguez, Van Bramer, Rose, Richards, Mendez, Cumbo, Cohen, Crowley, Williams, Grodenchik, Cabrera, Dromm, Vacca, Koslowitz, Garodnick, Maisel, Cornegy, Vallone, King, Mealy, Miller, Gibson, Perkins, Torres, Ferreras-Copeland, and Ulrich |

**Summary of Legislation:** Proposed Intro. No. 934-A would create a Real Time Enforcement Unit in the Department of Buildings (“DOB”), which would be responsible for enforcing the construction codes with respect to 1) occupied multiple dwellings with complaints related to work without a permit, and 2) occupied multiple dwellings with valid permits for alteration of 10 percent or more of the existing floor area or an addition to the building. For the former, the Real Time Enforcement Unit would be responsible for receiving and tracking complaints, and for the latter it would be responsible for monitoring such dwellings. For complaints against occupied multiple dwellings with complaints related to work without a permit, the Real Time Enforcement Unit would be required to conduct inspections within 12 hours for immediately hazardous complaints and within ten days for all other complaints. It would be authorized to issue notices of violation or stop work orders as necessary. Additionally, the Real Time Enforcement Unit would conduct inspections of at least five percent of occupied multiple dwellings with valid permits for the alteration of 10 percent or more of the existing floor surface area of the building or an addition to the building. Such inspections would be required within 20 days of commencement of work, and periodic re-inspections would be required until the completion of such work.

Lastly, the bill would require DOB to publish an annual report on the effectiveness of the Real Time Enforcement Unit which would be posted online.

**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 the implementation of this local law, including the promulgation of rules, prior to such 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** | $4,182,570 | $8,365,141 | $8,365,141 |
| **Net** | $4,182,570 | $8,365,141 | $8,365,141 |

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

**Impact on Expenditures:** Under the proposed legislation, DOB estimates that it would need to complete approximately 25,700 inspections annually for immediately hazardous and non-hazardous complaints related to work without a permit, pursuant to the inspection timeframes indicated in the bill. In addition, DOB reports that the agency would need to complete about 6,140 inspections annually for the inspection of occupied multiple dwellings with valid permits for alterations and additions pursuant to the inspection timeframes indicated in the bill. 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 an additional 36 field inspectors to perform the increased number of inspections and enforcement actions required under the bill. DOB estimates that it would need an additional 23 staff members to support the work of the field inspectors, including: inspectorial support staff, attorneys, analytical staff, chief inspectors, supervisory inspectors, and other staff. The total annual cost of these additional staff members is estimated to be $8,365,141, including fringe benefits and OTPS costs. For Fiscal 2018, the prorated cost would be $4,182,570.

Lastly, it is anticipated that the reporting, impact assessments and other administrative requirements of this legislation would be implemented using existing resources.

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

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

New York City Department of Buildings

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. 934 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. No. 934-A, will be considered by the Committee on September 20, 2017. Following a successful Committee vote, the bill will be submitted to the full Council for a vote on September 27, 2017.

**Date Prepared:** September 19, 2017