|  |  |
| --- | --- |
|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No: 385-C**  **Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to indoor asthma allergen hazards in residential dwellings and pest management, and to repeal section 27-2018 of the administrative code of the city of New York, relating to rodent and insect eradication and extermination | **Sponsors:** Council Members Mendez, Torres, Johnson, Chin, Constantinides, Cumbo, Koo, Reynoso, Rodriguez, Rose, Levine, Koslowitz, Rosenthal, Richards, Palma, Lander, Levin, Menchaca, Lancman, Dromm, Barron, Kallos, Ferreras-Copeland, Crowley, King, Gibson, Cabrera, Mealy, Maisel, Miller, Cornegy, Eugene, Van Bramer, Salamanca, Gentile, Vacca, Espinal, Cohen, Williams, Garodnick, Greenfield, Treyger, Deutsch, Grodenchik, Perkins, Ulrich and the Public Advocate (Ms. James) |

**Summary of Legislation:** Proposed Intro. No. 385-C would set forth property owners’ responsibilities in relation to indoor allergen hazards. The bill would also establish classifications of violations for which the Department of Housing Preservation and Development (HPD) may issue violations for indoor allergen hazards and dates of correction for such violations. The bill would also require the Department of Health and Mental Hygiene (DOHMH) to report on activities to educate physicians and health care providers, who treat persons with asthma, about the role of indoor allergens in asthma exacerbation and suggest certain addresses for Departmental investigation for indoor allergen hazards. Additionally, the legislation would require DOHMH to take certain measures to educate persons about indoor allergen hazards.

**Effective Date:** This local law would take effect one year after its enactment, except that the Commissioners of Health and Mental Hygiene and Housing Preservation and Development may take such measures as are necessary for its implementation, including the promulgation of rules, before such effective date.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2020

**Fiscal Impact Statement:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Effective FY19** | **FY Succeeding Effective FY20** | **Full Fiscal Impact FY20** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $2,120,000 | $2,030,000 | $2,030,000 |
| **Net** | ($2,120,000) | ($2,030,000) | ($2,030,000) |

**Impact on Revenues:** It is estimated that there would be no impact on revenues resulting from the enactment of this legislation. While the legislation authorizes HPD to impose fees and penalties for failure to correct a violation using integrated pest management of $500 per day and up to $10,000, and penalties of $2,000 to $10,000 for each violation for the false certification of correction of a violation, this estimate assumes residential property owners would fully comply with the provisions of this legislation.

**Impact on expenditures:** It is anticipated that the enactment of this legislation would result in additional inspections and administrative costs for HPD and DOHMH. While this estimate assumes that non-City entities would largely bear the costs of pest management and indoor allergen remediation, under the legislation, HPD would be required to re-inspect new indoor allergen violations to verify the correction of hazardous and immediately hazardous violations. According to an analysis conducted by the New York City Independent Budget Office (IBO), the cost of additional inspections and administrative expenses that HPD would incur is estimated to be $1.6 million annually. In addition, while the legislation authorizes HPD to take enforcement action where such violations have not been corrected, such action is not mandated. Although, IBO estimates that if HPD elects to make emergency repairs for immediately hazardous violations at the current rate of repairs, these additional repairs would cost about $1.9 million annually.

In addition to costs borne by HPD, it is anticipated that DOHMH would incur $520,000 in upfront costs and $430,000 in annual costs thereafter related to the development of educational material explaining the hazards associated with indoor allergens and training curriculum for residential property owners and maintenance staff related to the removal of indoor allergens. Lastly, it is anticipated that the reporting, recommendations 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 Independent Budget Office

New York City Department of Housing Preservation and Development

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

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

Rebecca Chasan, Counsel

**Legislative History:** This legislation was introduced to the full Council on June 11, 2014 as Intro. No. 385 and was referred to the Committee on Housing and Buildings (Committee). The bill was amended twice after introduction and a hearing on the amended legislation, Proposed Intro. No. 385-B, was held by the Committee on June 13, 2017 and the bill was laid over. The legislation was subsequently amended once more and the most recently amended legislation, Proposed Intro. No. 385-C, will be voted on by the Committee on December 18, 2017. Upon a successful vote by the Committee, Proposed Intro. No. 385-C will be submitted to the full Council for a vote on December 19, 2017.

**Date Prepared:** December 15, 2017