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|  | **The Council of the City of New York****Finance Division****Latonia McKinney, Director****Fiscal Impact Statement****Proposed Intro. No: 464-B****Committee: Housing and Buildings** |
| **Title:** A Local Law to amend the administrative code of the city of New York, in relation to investigation by the department of health and mental hygiene of places in which children identified with elevated blood lead levels routinely visit and the regulation of lead-based paint hazards in facilities providing day care services, and to repeal subchapter 1 of chapter 9 of title 17, relating to definitions regarding lead-based paint in day care facilities. | **Sponsors:** Council Members Dromm, Cumbo, Kallos, Lander, Ayala and Rosenthal |

**Summary of Legislation:** Proposed Intro. No. 464-B would require the Department of Health and Mental Hygiene (DOHMH) to investigate the potential sources of elevated blood lead levels in children, including an inspection of any dwelling where a child with an elevated blood lead level spends 10 or more hours per week. This bill would also add to existing lead hazard remediation requirements for facilities providing day care services and would require them to post notices describing any order to remediate a lead hazard and also to remediate such hazard within 21 days. This bill would also set forth property owners’ responsibilities in relation to the investigation and remediation of a lead hazard when a child spends 10 or more hours per week in one of their units.

**Effective Date:** This local law would take effect 120 days after it becomes law, except that: section four of the law, which redefines a child residing in a dwelling unit to mean that that the child routinely spend 10 or more hours per week there, will take effect January 1, 2020; and no lead-based paint violations may be issued based upon this new definition until July 1, 2020; and the Commissioners of Housing Preservation and Development (HPD) and DOHMH may take such actions as are necessary for implementation of this local law, including the promulgation of rules, before such date.

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

**Fiscal Impact Statement:**

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|  | **Effective FY20** | **FY Succeeding Effective FY21** | **Full Fiscal Impact FY20** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $7,503,010 | $7,503,010 | $7,503,010 |
| **Net** | ($7,503,010) | ($7,503,010) | ($7,503,010) |

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

**Impact on expenditures:** HPD and DOHMH are the two City agencies that enforce lead-based paint hazards under Local Law 1. It is anticipated that the enactment of this legislation would result in additional inspections and administrative costs for HPD but that DOHMH would use existing resources to comply with the provisions of this legislation.

HPD anticipates that there would be an impact on expenditures of about $12.7 million resulting from the enforcement required by the legislation, which includes additional inspections and emergency remediation work for the correction of lead-based paint violations. HPD estimates the personal costs (PS) of additional inspectors, project managers, and administrative support would total $8.1 million per year, the additional cost of remediation repairs would total $2.6 million per year, and other than personal service costs (OTPS) related to additional cars, x-ray fluorescence technology and other related costs would require a one-time expenditure of $2.1 million.

However, the Fiscal 2020 Preliminary Plan provides $198,228 in Fiscal 2020 for the costs of two positions at HPD to support LeadFreeNYC and $4.5 million in Fiscal 2020 and $1.4 million in Fiscal 2021 and the outyears for HPD OTPS costs under the initiative. In addition, as of the Fiscal 2020 Preliminary Budget, 35 staff are dedicated to LeadFreeNYC enforcement and compliance work at HPD and are supported through federal Community Development Block Grant funds. This estimate assumes the net cost to HPD for additional inspections, repairs and administrative costs under this legislation would be $6,268,210 annually, assumes existing resources can be used for OTPS costs, and that HPD would not have any one-time expenditures.

While this estimate assumes that non-City entities would largely bear the costs of lead-based paint remediation, HPD will have the expense of emergency remediations. In Fiscal 2018, HPD received more than 13,000 complaints for peeling paint conditions in units with children under six years of age and conducted 650 remediation projects where building owners failed to correct lead-based paint violations at a total average cost of $1,764 per unit, for a total of $1.2 million.

Assuming these data points remain consistent, the estimated net cost of this legislation to HPD after its effective date would be about $7.5 million annually.

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

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

 New York City Department of Housing Preservation and Development

 New York City Office of the Mayor

 Mayor’s Office of City Legislative Affairs

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

**Estimated Reviewed by:** Noah Brick, Assistant Counsel

Rebecca Chasan, Senior Counsel

Chima Obichere, Unit Head

**Legislative History:** This legislation was introduced to the full Council on February 14, 2018 as Intro. No. 464 and was referred to the Committee on Housing and Buildings. The bill was amended after introduction and a joint hearing on the amended legislation, Proposed Intro. No. 464-A, was held by the Committee on Housing and Buildings, the Committee on Health, and the Committee on Environmental Protection on September 27, 2018, and the bill was laid over. The legislation was subsequently amended a second time, and the new version, Proposed Intro. No. 464-B, will be voted on by the Committee on March 13, 2019. Upon a successful vote by the Committee, Proposed Intro. No. 464-B will be submitted to the full Council for a vote on March 13, 2019.

**Date Prepared:** March 11, 2019