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Int. No. 164

By Council Members Farías, Hudson, Avilés, Louis and Schulman

A Local Law to amend the New York city charter and the administrative code of the city of New York, in relation to the preparation of community impact reports for city-subsidized economic development projects

Be it enacted by the Council as follows:

Section 1. Paragraph a of subdivision 1 of section 1301 of the New York city charter, as added by local law number 61 for the year 1991, is amended to read as follows:

a. to establish business, industrial and commercial policies, programs and projects which affect the business, industrial, commercial or economic well-being, development, growth and expansion of the economic life of the city and to examine the impact on communities for which an economic development project is proposed;

§ 2. Title 22 of the administrative code of the city of New York is amended by adding a new chapter 13 to read as follows:

CHAPTER 13

COMMUNITY IMPACT REPORTS

§ 22-1301 Definitions. a. For the purposes of this chapter, the following terms have the following meanings:

Department. The term “department” means the department of small business services.

City economic development entity. The term “city economic development entity” means a not-for-profit corporation of which a majority of its members are appointed by the mayor and that is under contract with the department to provide or administer economic development benefits on behalf of the city and expend city capital appropriations in connection therewith.

Economic development benefit. The term “economic development benefit” means the sale or lease of city-owned land or the provision or administration of financial assistance by the city economic development entity to a person or entity for the purpose of job creation, retention, growth or other economic development project. The term “economic development benefit” shall not include: (i) the sale or lease of city-owned property or the provision of financial assistance in connection with contracts or other agreements for the provision of social services; (ii) as-of-right assistance, tax abatements or benefits, such as those under the Industrial and Commercial Abatement Program, the J-51 Program, and other similar programs; (iii) projects for affordable housing where such affordable housing units shall be affordable to individuals earning less than 120 percent of area median income and where any market rate housing units created within such project comprise no more than 30 percent of all units created within such project; or (iv) projects that include less than 25,000 square feet of gross commercial space.

Economic development project. The term “economic development project” means a project undertaken by a person or entity that receives an economic development benefit for such project.

Financial assistance. The term “financial assistance” means the provision of more than \$150,000 in cash payments or grants, bond financing, tax abatements or exemptions (including, but not limited to, abatements or exemptions from real property, mortgage recording, sales and use taxes, or the difference between any payments in lieu of taxes and the amount of real property or other taxes that would have been due if the property were not exempted from the payment of such taxes), tax increment financing, filing fee waivers, energy cost reductions, environmental remediation costs, write-downs in the market value of building, land, or leases, or the cost of capital improvements undertaken for the benefit of a project subject to a project agreement. The term “financial assistance” includes only discretionary assistance that is negotiated or awarded by the city or by a city economic development entity, and does not include as-of-right assistance, tax abatements or benefits, such as those under the Industrial and Commercial Abatement Program, the J-51 Program, and other similar programs. Any tax abatement, credit, reduction or exemption that is given to all persons who meet criteria set forth in the state or local legislation authorizing such tax abatement, credit, reduction or exemption is deemed to be as-of-right (or non-discretionary); further, the fact that any such tax abatement, credit, reduction or exemption is limited solely by the availability of funds to applicants on a first come, first served or other non-discretionary basis set forth in such state or local law does not render such abatement, credit, reduction or exemption discretionary. Where assistance takes the form of leasing city property at below-market lease rates, the value of the assistance shall be determined based on the total difference between the lease rate and a fair market lease rate over the duration of the lease. Where assistance takes the form of loans or bond financing, the value of the assistance shall be determined based on the difference between the financing cost to a borrower and the cost to a similar borrower who does not receive financial assistance from the city or a city economic development entity.

§ 22-1302 Community impact reports. a. For each economic development project, the department shall prepare or cause to be prepared a community impact report that describes and assesses certain economic and social data related to the proposed economic development project and the community in which it will be

located, along with the following:

1. A general, functional description of the proposed project; its prospective location; its initial owner, operator or manager; existing number of employees; whether the project is a new or continuing endeavor; a full description of the funding source benefit or program name, dollar amount or equivalent along with the term of all economic development benefits being contemplated including a list of as-of-right business incentive program benefits provided by the city;

2. Information on whether the economic development project would be located in a highly distressed area as defined under subdivision (18) of section 854 of the general municipal law with a listing of such qualifying characteristics. Where a project would be located in a highly distressed area, the community impact report shall describe the impact, if any, the proposed project is projected to have on (i) alleviating unemployment; (ii) spurring private or public investment in employment, housing or educational opportunities for residents; (iii) increasing wages or other employment compensation, such as health benefits, of other businesses in the distressed area; (iv) providing opportunities for training and skills development and improving employment opportunities for entry-level or low-skill workers; and (v) facilitating and supporting local entrepreneurial efforts;

3. Where a business will be created or moved to a prospective location in furtherance of the economic development project, a description of the current use of the prospective location;

4. Information regarding the estimated number of residential units to be directly created or renovated as a result of such project; proposed rents for such units; how such rents compare to current rents of unit types in closest similarity within the community district or districts within which such project will be located; and the estimated increase in rents to such units and other units within such community district or districts that may result from such project;

5. Information regarding the estimated number of residents who will be displaced as a direct result of the project and as to such residents, a demographic profile compiled from non-confidential government and

other data publicly available to include, but not be limited to, the racial, ethnic and gender composition of such residents; the estimated number of residents over 65 years of age and under 18 years of age; the estimated average individual and household income; the estimated number of residents receiving subsidized housing assistance from vouchers, grants or other program; the number of any rent regulated units in an existing building at risk of elimination; and such other information determined by the department to be appropriate;

6. The estimated number of businesses that will be displaced as a direct result of the project; the estimated number of full-time employees and part-time employees to be displaced; the business type classification as commercial, industrial or retail and to the extent reasonably available from non-confidential government data, the percentage representation, average gross floor area and the final actual assessed total value of the business properties to be displaced;

7. The estimated number of permanent and seasonal full-time jobs to be directly created by such project; the method by which the estimate was derived; and the aggregation of such jobs by business sector including, but not limited to, construction, retail, professional services, financial services, tourism and hospitality, information and technology, and building services and the method by which each such estimate was derived;

8. The estimated number of permanent full-time jobs to be indirectly created by such project and the method by which such estimate was derived;

9. The estimated percentage of employees in each category set forth in paragraphs 7 and 8 of this subdivision, respectively, whom it is estimated will earn up to \$35,000 per year; the percentage of employees who it is estimated will earn more than \$35,000 per year and up to \$50,000 per year; and the percentage of employees who it is estimated will earn more than \$50,000 per year; and for those employees who are not salaried but are paid based upon an hourly wage, the percentage of employees in each such category, respectively, who it is estimated will be paid an hourly wage between the minimum wage and \$20 per hour, above \$20 per hour, and up to \$25 per hour;

10. Information on whether the project will utilize local job recruitment programs and the number of

jobs which may be filled by such programs;

11. The estimated number of persons in each category set forth in paragraphs 7 and 8 of this subdivision, respectively, whom it is estimated will receive employer provided health benefits; and

12. A statement as to the sources and computational methodology of all information relied upon to produce the estimates and data required by this subdivision.

b. A community impact report shall be submitted to the council at least 30 days prior to the approval by the city or the economic development entity of the proposed economic development benefit and related project. Each report shall also be made available on the website of the economic development entity or on the city's website.

§ 3. This local law takes effect 120 days after it becomes law.

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1/16/24

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