

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Christine C. Quinn  
Speaker of the Council

Hon. Erik Martin-Dilan  
Chair, Committee on Housing and Buildings

## Hearing on the Fiscal 2014 Preliminary Budget & the Fiscal 2013 Preliminary Mayor's Management Report

Department of Buildings

March 19, 2013

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## Department of Buildings Overview

The Department of Buildings (DOB) ensures the safe and lawful use of over 950,000 buildings and properties by enforcing the City's Building Code, Electrical Code, Zoning Resolution, New York State Labor Law, and New York State Multiple Dwelling Law. The Department performs plan examinations, issues construction permits, inspects properties, licenses trades, and issues Certificates of Occupancy and Place of Assembly permits. Anyone who intends to demolish, alter, build an addition, or erect a new structure must obtain a building permit from the Department to ensure that the resulting property structure complies with all applicable laws.

## Fiscal 2014 Preliminary Plan Highlights

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Personal Services	\$76,546	\$80,047	\$82,422	\$80,912	\$865
Other Than Personal Services	18,500	16,325	23,682	12,839	(3,486)
<b>Agency Total</b>	<b>\$95,046</b>	<b>\$96,372</b>	<b>\$106,104</b>	<b>\$93,751</b>	<b>(\$2,621)</b>

\*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan funding.

DOB's Fiscal 2014 Preliminary Budget is \$93.7 million, which is approximately \$2.6 million less than the \$96.4 million Fiscal 2013 Adopted Budget. This is primarily due to revenue increases from construction related fees. DOB has been able to better catch under reporting of construction costs and has realized significant revenue. This income offsets new expenditures for personnel, trade licensing exam processing, and the °CoolRoofs program. The increase in headcount will be for seven new employees for the Energy Compliance Unit and four new hires to the Energy Audit Retrofit Unit.

## Revenue and Expense Highlights

- Cost Validation Tool.** The agency basis their construction permit fees on the cost of construction. Due to internal auditing, DOB discovered that many firms were underreporting the cost of work. The agency was able to utilize the cost validation tool computer program to create accurate benchmarking in order to improve compliance. DOB also posted the generally accepted standards for their benchmarking on the agency's website in order to increase transparency. The savings for this initiative will be \$6.3 million in Fiscal 2013 and \$9.1 million in Fiscal 2014.
- Transfer of Licensing Exams.** The Department of Citywide Administrative Services (DCAS) used to administer and process thirteen different trade licenses but there was significant pressure from the construction industry to increase the frequency of exams. Under DCAS, these exams were only administered twice a year. DOB decided to take over the administration of these exams where they are going to improve the process and make the tests available to take at any time. This will increase expenditures \$1.1 million in Fiscal 2013 and \$959,000 in Fiscal 2014.

- **NYC Service Program Cool Roofs.** The NYC °CoolRoofs initiative encourages building owners to cool their rooftops by applying a reflective white coating that reduces energy use, cooling costs and carbon emissions. New York City’s 2008 Construction Codes require that most new construction includes rooftops that are 75% reflective or rates “highly reflective” by ENERGY STAR®. Funding for this program comes from the Mayor’s NYC Service Unit who allocates money in increments. The \$221,000 for Fiscal 2013 is half of the total annual program cost of \$442,000. DOB expects funding for this program to continue in the out years.
- **New Personnel.** DOB will hire seven new employees to the Energy Compliance Unit and four employees to the Energy Audit Unit. These units were created in accordance with the Energy Code that passed in 2010. Energy compliance and auditing is required and the agency is responsible for these tasks. The cost of these new hires will be offset by the new energy code construction fees for items such as construction applications, energy reporting, and renovation applications. The total cost of this personnel is \$554,000 in Fiscal 2013 and \$1.02 million in Fiscal 2014.
- **Hurricane Sandy.** DOB has received approximately \$7.9 million in FEMA reimbursement from Hurricane Sandy related costs. These costs primarily include inspections of damaged structures in order to generate detailed inspections and hiring consultants to perform engineering reports for future risk mitigation. Additionally, the agency anticipates that they will need to perform more off-hours inspections due to the storm which will increase overtime. It is anticipated that these costs will be reimbursed by FEMA.

## Department of Buildings Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
<b>Personal Services</b>					
Full-Time Salaried - Civilian	\$69,218	\$74,514	\$75,189	\$75,779	\$1,265
Other Salaried and Unsalari ed	455	858	858	858	0
Additional Gross Pay	2,305	1,072	1,072	1,072	0
Amounts to be Scheduled	0	400	400	0	(400)
Fringe Benefits	26	3	3	3	0
Overtime - Civilian	4,537	3,200	4,900	3,200	0
P.S. Other	5	0	0	0	0
<b>Personal Services Total</b>	<b>\$76,546</b>	<b>\$80,047</b>	<b>\$82,422</b>	<b>\$80,912</b>	<b>\$865</b>
<b>Other Than Personal Services</b>					
Supplies and Materials	\$1,588	\$2,083	\$1,605	\$2,083	\$0
Property and Equipment	892	1,035	743	1,035	0
Contractual Services	11,126	8,873	10,960	5,387	(3,486)
Fixed and Misc Charges	6	0	0	0	0
Other Services and Charges	4,888	4,335	10,374	4,335	0
<b>Other Than Personal Services Total</b>	<b>\$18,500</b>	<b>\$16,325</b>	<b>\$23,682</b>	<b>\$12,839</b>	<b>(\$3,486)</b>
<b>TOTAL</b>	<b>\$95,046</b>	<b>\$96,372</b>	<b>\$106,104</b>	<b>\$93,751</b>	<b>(\$2,621)</b>
<b>Funding</b>					
City Funds		\$96,372	\$98,204	\$93,751	(\$2,621)
Federal - Other		0	7,900	0	0
<b>TOTAL</b>		<b>\$96,372</b>	<b>\$106,104</b>	<b>\$93,751</b>	<b>(\$2,621)</b>
<b>Positions</b>					
Full-Time Positions - Civilian	1050	1095	1106	1106	11
<b>TOTAL</b>	<b>1050</b>	<b>1095</b>	<b>1106</b>	<b>1106</b>	<b>11</b>

\*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan funding.

The increase of \$1.3 for full-time salaries is due to the increase of 11 new hires to the Energy Compliance and Energy Audit Retrofit Units (see explanation above). The decrease of contractual services by approximately \$3.5 million is primarily due to a decrease in elevator inspections, which are contracted out annually.

## Performance Measures

	FY 10 Actual	FY 11 Actual	FY 12 Actual	Target FY 13	Target FY 14	4-Month Actual FY 12	4-Month Actual FY 13
Jobs filed	60,235	65,358	68,911	*	*	23,388	24,269
- New buildings	1,427	1,726	1,787	*	*	532	625
- Alterations I (major renovation)	4,181	4,127	4,329	*	*	1,365	1,423
- Alterations II and III (minor renovation)	54,627	59,505	62,795	*	*	21,491	22,221
Building permits issued - Initial	74,280	83,151	87,190	*	*	30,090	31,159
- New buildings	1,455	1,541	1,496	*	*	554	522
- Alteration I (major renovation)	2,937	3,005	3,190	*	*	1,083	1,130
- Alterations II and III (minor renovation)	69,888	78,605	82,504	*	*	28,453	29,507
Building permits issued - Renewals	36,938	37,876	39,321	*	*	11,495	12,298
- New buildings	5,975	4,286	3,824	*	*	1,078	1,122
- Alteration I (major renovation)	3,553	3,734	3,585	*	*	1,101	1,187
- Alterations II and III (minor renovation)	27,410	29,856	31,912	*	*	9,316	9,989
Certificates of Occupancy issued	7,672	7,044	6,642	*	*	2,261	2,152
- Permanent Certificates of Occupancy	6,030	5,642	5,388	*	*	1,809	1,731
First plan reviews completed	58,244	61,507	63,130	*	*	21,868	21,969
- New buildings	1,812	1,726	1,730	*	*	529	646
- Major renovations	4,227	4,068	4,248	*	*	1,402	1,445
- Minor renovations	52,205	55,713	57,152	*	*	19,937	19,878
Average days to complete first plan review	5.1	4.7	4.6	4.5	4.5	5.2	4.3
« - New buildings	16.2	14.9	12.6	*	ò	13.1	11.8
« - Alteration I (major renovation)	13.7	11.7	11.2	*	ò	13.1	10.4
- Alterations II and III (minor renovation)	4.0	3.9	3.9	*	*	4.5	3.6
Jobs professionally certified (%)	45.1%	47.6%	50.3%	*	*	52.1%	54.0%
Jobs professionally certified that were audited (%)	24.4%	20.3%	24.8%	20.0%	20.0%	20.1%	21.5%
Audits of professionally certified jobs resulting in revocation notices (%)	20.1%	14.8%	9.8%	*	*	11.7%	8.8%
Priority A (emergency) complaints received	18,828	15,182	14,662	*	*	4,990	5,514
Priority B (nonemergency) complaints received	76,485	67,228	64,402	*	*	22,522	21,297
Priority A complaints responded to	18,535	15,075	14,540	*	*	4,899	5,407
Priority B complaints responded to	74,708	63,219	59,236	*	*	19,973	17,513
«Average time to respond to Priority A complaints (days)	0.3	0.5	0.6	*	1.5	0.4	0.6
«Average time to respond to Priority B complaints (days)	19.8	28.5	41.1	*	40.0	45.7	45.3
Residential illegal conversion complaints received	25,567	20,135	18,608	*	*	6,601	6,569
«Residential illegal conversion complaints where access was obtained (%)	49.4%	46.9%	46.4%	*	47.0%	48.9%	44.0%
Residential illegal conversion complaints where access was obtained and violations were written (%)	49.6%	54.7%	53.5%	*	*	51.6%	53.2%
Work without a permit complaints received	16,807	21,431	18,544	*	*	6,749	5,696
Work without a permit complaints where access was obtained and violations were written (%)	N/A	68.9%	67.2%	*	*	64.0%	69.0%
«Construction inspections completed	212,038	171,547	141,237	*	150,000	47,618	44,939
- Complaints (%)	33.8%	31.8%	31.5%	*	*	30.2%	31.7%
- Certificate of Occupancy (%)	7.4%	7.7%	7.6%	*	*	7.4%	7.5%

	FY 10 Actual	FY 11 Actual	FY 12 Actual	Target FY 13	Target FY 14	4-Month Actual FY 12	4-Month Actual FY 13
- Construction monitoring (%)	16.9%	14.3%	11.4%	*	*	13.6%	11.1%
- Other (%)	42.0%	46.2%	49.5%	*	*	48.9%	49.8%
Average construction inspections per inspector day	N/A	NA	12.9	*	*	11.6	13.9
Inspections resulting in violations (%)	N/A	15.5%	17.1%	*	*	17.0%	18.4%
DOB violations issued	68,016	56,299	82,606	*	*	16,826	19,325
Environmental Control Board violations issued	74,163	62,070	53,293	*	*	17,614	14,489
- Construction	59,356	48,899	41,750	*	*	14,012	11,284
- Elevators	6,904	4,910	5,008	*	*	1,692	1,424
Non-default Environmental Control Board decisions	58,198	53,323	48,900	*	*	N/A	N/A
«Notices of Violation upheld by ECB (%)	81.4%	78.2%	77.1%	*	78.0%	N/A	N/A
Environmental Control Board hearings of contested Notices of Violation (NOVs)	45,551	42,663	38,782	*	*	N/A	N/A
Construction inspections resulting in at least one Stop Work Order (%)	1.6%	1.4%	1.9%	*	*	1.9%	1.7%
Construction inspections resulting in at least one Work Without a Permit Violation (%)	4.8%	5.2%	5.8%	*	*	5.6%	4.9%
Construction-related incidents	615	422	405	*	*	121	162
- Construction-related accidents	198	119	157	*	*	52	65
- Accident type - Worker fell	81	47	65	*	*	22	31
- Accident type - Excavation soil work	3	0	5	*	*	1	0
- Accident type - Scaffold/shoring installations	9	8	9	*	*	0	4
- Accident type - Material failure	42	25	38	*	*	13	9
- Accident type - Mechanical construction equipment	8	8	5	*	*	3	0
- Accident type - Other	55	31	35	*	*	13	21
«Construction-related injuries	206	128	187	*	ò	68	68
«Construction-related fatalities	4	4	7	*	ò	1	3
Incident inspections resulting in violations (%)	77.7%	76.5%	77.1%	*	*	75.4%	81.8%

*\*Continuation from previous page*

The Development Hub, a new plan review center that accepts digital construction plans proved to in fact accelerate DOB's review time. The initial review time of construction plans decreased 1.3 days for new buildings, 2.7 days for major renovations, and 0.9 days for minor renovations.

With regards to complaints, DOB responded to 98.5% Priority A (emergency) complaints over the four month period in Fiscal 2013. Over the same period in Fiscal 2012, the agency responded to 98.1% emergency complaints. For Priority B (non-emergency) complaints, DOB's response decreased from 88.6% in Fiscal 2012 to 82.2% in Fiscal 2013.

Construction inspections decreased 5.6% in Fiscal 2013. The PMMR attributes this decrease to an above average number of vacancies of enforcement inspector positions and the decrease in the number of complaints. The agency is in the process of hiring inspectors for vacant positions.

DOB violations rose by 15%, from 16,826 in Fiscal 2012 to 19,325 in Fiscal 2013 during the same four month period. The PMMR states that this increase is due to the number of administrative violations issued to property owners for failure to either provide evidence that annual elevator testing had been completed or that past deficiencies had been corrected. In Fiscal 2012 the Department issued these types of violations later in the year.

Construction-related incidents rose by 33.9%, from 121 in Fiscal 2012 to 162 in Fiscal 2013, and the percent of incident inspections resulting in violations also rose, from 75.4% to 81.8%. The number of accidents increased by 13 to 65 in Fiscal 2013. The most common cause of accidents continues to be worker falls.

## Appendix A Budget Actions Plan

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as of June 2013 Plan</b>	<b>\$96,372</b>	<b>\$0</b>	<b>\$96,372</b>	<b>\$91,769</b>	<b>\$0</b>	<b>\$91,769</b>
<b>New Needs</b>						
Transfer of Licensing Exams	\$1,057		\$1,057	\$959		\$959
DOB Energy Audit Retrofit Unit	178		178	355		355
DOB Energy Compliance Unit	376		376	668		668
<b>TOTAL, New Needs</b>	<b>\$1,611</b>	<b>\$0</b>	<b>\$1,611</b>	<b>\$1,982</b>	<b>\$0</b>	<b>\$1,982</b>
<b>Other Adjustments</b>						
Longevity Different. Increase	\$0	-	\$0	\$0		\$0
NYC Service Program Cool Roofs	221	-	221			-
DOB Sandy Expenses		7,900	7,900			-
<b>TOTAL, Other Adjustments</b>	<b>\$221</b>	<b>\$7,900</b>	<b>\$8,121</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, All Changes</b>	<b>\$1,832</b>	<b>\$7,900</b>	<b>\$9,732</b>	<b>\$1,983</b>	<b>\$0</b>	<b>\$1,983</b>
<b>Agency Budget as of January 2014 Plan</b>	<b>\$98,204</b>	<b>\$7,900</b>	<b>\$106,104</b>	<b>\$93,752</b>	<b>\$0</b>	<b>\$93,752</b>

## Appendix B

### Contract Budget

Category	Number	Budgeted	Percentage of DOB Total
Contract Services General	2	\$2,513,308	46.65%
Office Equipment Maintenance	1	252,000	4.68%
Data Processing Equipment	1	679,620	12.62%
Security Services	1	185,000	3.43%
Temporary Services	1	33,000	0.61%
Training Program for City Employees	1	525,000	9.75%
Professional Services: Computer	1	300,000	5.57%
Professional Services: Other	1	899,230	16.69%
<b>Preliminary Budget</b>	<b>9</b>	<b>\$5,387,158</b>	<b>100%</b>