

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Jumaane Williams
Chair, Committee on Housing and Buildings

Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Department of Buildings

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Department of Buildings Overview

The Department of Buildings (DOB) ensures the safe and lawful use of more than 975,000 buildings and properties by enforcing the City’s Building Code, the City’s Zoning Resolution, New York State Labor Law and New York State Multiple Dwelling Law. The Department enforces compliance with these regulations through plan examinations, issuance of construction permits, property inspections, 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.

This report provides a review of DOB’s Preliminary Budget for Fiscal 2015. In the first section, the highlights of the Fiscal 2015 expense budget are presented. The report discusses initiatives included in the November and Preliminary Financial Plans, provides a financial summary of the Department’s budget, and reviews relevant sections of the Preliminary Mayor’s Management Report for Fiscal 2014.

Fiscal 2015 Preliminary Plan Highlights

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	*Difference 2014 - 2015
Personal Services	\$76,546	\$78,376	\$84,632	\$84,966	\$80,409	(\$4,223)
Other Than Personal Services	18,500	24,105	22,655	22,800	18,754	(3,901)
Agency Total	\$95,046	\$102,482	\$107,287	\$107,766	\$99,163	(\$8,124)

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

DOB’s Fiscal 2015 Preliminary Budget is \$99.1 million, which is approximately \$8.1 million less than the \$107.3 million Fiscal 2014 Adopted Budget. The agency’s funding sources in this plan consist of all City tax levy funds. Since the Fiscal 2014 Adopted Budget, the agency has implemented the following initiatives:

- **Headcount Reductions.** DOB’s Fiscal 2015 Preliminary Budget reflects a reduction of 4 positions from the Fiscal Adopted Budget total of 1,128. These reductions in personnel are the result of the transfer of 4 technicians from DOB to the CITI-Serv Program at the Department of Information Technology and Telecommunications (DoITT).
- **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. In the November Financial plan, \$42,000 was added to the Agency’s budget for this program. DOB expects funding for this program to continue in the out years.
- **Build it Back Program.** The Preliminary plan includes an adjustment of \$689,000 in Fiscal 2014 for this program. DOB reviews and approves permit applications for Sandy-impacted

households applying for rebuilding funding. DOB will offset the costs associated with administering this program through revenue generated from the issuance of construction permits.

- **Contracts.** The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget. DOB's Fiscal 2015 Preliminary Budget includes 9 registered City contracts, at a total cost of \$11,309,489. Of these registered contracts, about 75% are for general contract services. This is anticipated to cost DOB \$8,616,958 in Fiscal 2015 (See Appendix B).
- **Revenue.** In recent years, DOB fees- including licenses, permits, and charges for services, have grown to exceed the Department's total expense budget. In the Fiscal 2015, the agency expects to generate \$169.6 million in revenue, while total expenditures are projected to be about \$99 million. In the preliminary plan, DOB expects to generate about \$114 million from license, construction permit and franchise fees, about \$33 million from charges for services, and about \$23 million from the collection of fines and forfeitures. In addition, DOB will realize \$7.7 million in additional revenue from the collection of building permit fees in Fiscal 2014.
- **Application Processing Efficiency.** During the Fiscal 2013 to Fiscal 2014 reporting period, Job filings for new buildings increased by over 50 percent, with one- and two-family homes in areas affected by Hurricane Sandy accounting for the majority of the increase. Overall, job filings increased by 16.6 percent and the time to complete application processing averaged 0.2 days. At the end of Fiscal 2014, the Department began offering virtual plan exam reviews for minor construction permits through its NYC Development Hub. Moving forward, this new service will allow property owners and industry professionals to receive permits faster than ever before.

Department of Buildings Financial Summary

<i>Dollars in Thousands</i>	2012	2013	2014	2014	2015	*Difference
	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$69,218	\$69,055	\$77,599	\$77,796	\$75,276	(\$2,323)
Other Salaried and Unsalariated	455	323	858	929	858	0
Additional Gross Pay	2,305	2,864	1,072	1,072	1,072	0
Overtime - Civilian	0	6,098	5,100	5,166	3,200	(1,900)
P.S. Other	26	8	0	0	0	0
Fringe Benefits	4,537	28	3	3	3	0
Amounts to be Scheduled	5	0	0	0	0	0
Subtotal	\$76,546	\$78,376	\$84,632	\$84,966	\$80,409	(\$4,223)
Other Than Personal Services						
Supplies & Materials	\$1,588	\$1,675	\$2,138	\$1,703	\$2,236	\$98
Fixed & Misc. Charges	892	5	0	2	0	0
Property & Equipment	11,126	1,518	1,035	1,644	1,035	0
Other Services & Charges	6	5,181	4,175	4,542	4,175	0
Contractual Services	4,888	15,726	15,308	14,908	11,309	(3,999)
Subtotal	\$18,500	\$24,105	\$22,655	\$22,800	\$18,754	(\$3,901)
TOTAL	\$95,046	\$102,482	\$107,287	\$107,766	\$99,163	(\$8,124)
Funding						
City Funds			\$103,587	\$103,995	\$99,163	(\$4,424)
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - CDBG			0	0	0	0
Federal - Other			3,700	3,700	0	(3,700)
Intra City			0	71	0	0
TOTAL	\$95,046	\$102,482	\$107,287	\$107,766	\$99,163	(\$8,124)
Positions						
Full-Time Positions - Civilian	1,050	1,106	1,128	1,128	1,124	(4)
TOTAL	1,050	1,106	1,128	1,128	1,124	(4)

*The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.

The decrease of contractual services by approximately \$3.9 million is primarily due to a decrease in emergency contracts for expenditures related to Superstorm Sandy. Similarly, the decrease in costs associated with overtime by approximately \$1.9 million is primarily due to a decrease in overtime worked after initial building inspections were completed directly following the storm.

Appendix A Budget Action Chart

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of Fiscal 2014 Adopted Plan	\$103,587	\$3,700	\$107,287	\$99,486	\$0	\$99,486
Program to Eliminate the Gap (PEGs)						
None	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, PEGs	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
Build it Back Program	\$689	\$0	\$689	\$0	\$0	\$0
TOTAL, New Needs	\$689	\$0	\$689	\$0	\$0	\$0
Other Adjustments						
CITIServ-DOB Transfer	(\$323)	\$0	(323)	(\$323)	\$0	(323)
NEG-SBS/DOB Sandy Expenses	0	71	71	0	0	0
NYC Service Program Cool Roofs	42	0	42	0	0	0
TOTAL, Other Adjustments	(\$281)	\$71	(\$210)	(\$323)	\$0	(\$323)
TOTAL, All Changes	\$408	\$71	\$479	(\$323)	\$0	(\$323)
Agency Budget as of Fiscal 2015 Preliminary Plan	\$103,995	\$3,771	\$107,766	\$99,163	\$0	\$99,163

Appendix B Contract Budget

Category	Number	Budgeted	Pct. of Agency Total
Contract Services General	2	\$8,616,958	76.2%
Office Equipment Maintenance	1	252,000	2.2%
Data Processing Equipment	1	526,792	4.7%
Security Services	1	185,000	1.6%
Temporary Services	1	33,000	0.3%
Training Program for City Employees	1	525,000	4.6%
Professional Services: Computer	1	300,000	2.7%
Professional Services: Other	1	870,739	7.7%
Fiscal 2015 Preliminary Budget	9	\$11,309,489	100.0%

Appendix C

Revenue Summary

Agency Revenue Sources (in thousands)	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	Difference 2014 - 2015
License, Permit & Franchises	\$117,208	\$117,208	\$113,905	(\$3,303)
Charges for Services	32,568	32,568	32,956	388
Fines and Forfeitures	22,689	22,689	22,689	0
Federal Grants - Categorical	3,700	3,700	0	(3,700)
State Grants - Categorical	0	0	0	0
Intra-City Revenue	0	71	0	0
TOTAL	\$176,165	\$176,165	\$169,550	(\$6,615)

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan Funding.*

Appendix D

Fiscal 2014 Preliminary Mayor's Management Report Performance Measures (July to October)

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Jobs filed	65,358	68,911	72,288	*	*	24,268	28,304
Average time to complete application processing (days)	0.3	0.2	0.1	0.1	0.1	0.1	0.2
Building permits issued - Initial	83,151	87,190	88,290	*	*	31,159	35,557
Building permits issued - Renewals	37,876	39,321	41,230	*	*	12,301	13,582
Certificates of Occupancy issued	7,044	6,642	5,949	*	*	2,147	1,984
First plan reviews completed	61,507	63,130	69,380	*	*	24,099	27,011
Average days to complete first plan review	4.7	4.6	4.8	4.5	4.5	4.2	5.2
Average days to complete first plan review - New buildings	14.9	12.6	15.9	12.0	13.0	11.8	14.6
Average days to complete first plan review - Major renovation (Alteration I)	11.7	11.2	12.0	10.0	11.5	10.4	14.9
Average days to complete first plan review - Minor renovation (Alterations II and III)	3.9	3.9	4.1	4.0	4.0	3.6	4.2
Jobs professionally certified (%)	47.6%	50.3%	55.2%	*	*	53.9%	59.5%
Jobs professionally certified that were audited (%)	20.3%	24.8%	20.3%	20.0%	20.0%	20.6%	18.8%
- Audits that resulted in revocation notices (%)	14.8%	9.8%	10.4%	*	*	8.8%	8.6%
Average wait time for a construction inspection (days)	NA	NA	4.7	4.5	4.5	5.5	3.5
Average wait time for a plumbing inspection (days)	NA	NA	5.1	5.0	5.0	NA	4.7
Average wait time for an electrical inspection (days)	NA	NA	6.3	6.0	6.0	6.6	6.2
Priority A (emergency) complaints received	15,182	14,662	14,511	*	*	5,515	4,927
Priority B (nonemergency) complaints received	67,228	64,402	58,983	*	*	21,461	23,219
Priority A complaints responded to	15,075	14,540	14,542	*	*	5,485	4,929
Priority B complaints responded to	63,219	59,236	51,990	*	*	18,003	23,405
- Complaints that resulted in a vacate or stop work order	4,903	4,069	3,660	*	*	1,255	1,641
Average time to respond to Priority A complaints (days)	0.5	0.6	0.7	1.0	1.0	0.6	0.7
Average time to respond to Priority B complaints (days)	28.5	41.1	48.5	40.0	40.0	41.5	45.3
Response time to Priority B complaints that resulted in a vacate or stop work order	15.0	15.0	9.5	10.0	9.0	15.0	6.8
Residential illegal conversion complaints where access was obtained (%)	46.9%	46.4%	41.6%	47.0%	44.0%	39.4%	40.5%
- Access obtained and violations were written (%)	54.7%	53.5%	50.2%	*	*	47.6%	44.3%
Work without a permit complaints where access was obtained and violations were written (%)	68.9%	67.2%	86.7%	*	*	88.5%	81.1%
Construction inspections completed	171,547	141,237	131,444	140,000	140,000	46,772	47,655

Performance Statistics	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Average construction inspections per inspector day	NA	12.9	11.8	*	*	13.0	11.7
Construction inspections resulting in violations (%)	17.2%	20.7%	21.3%	*	*	22.1%	18.8%
DOB violations issued	56,299	82,606	65,189	*	*	19,676	16,182
Environmental Control Board violations issued	62,070	53,293	43,320	*	*	15,758	16,679
Violations admitted to or upheld at the Environmental Control Board (%)	78.2%	77.1%	79.4%	78.0%	78.0%	NA	NA
Construction-related incidents	422	405	403	*	*	162	154
- Construction-related accidents	119	157	173	*	*	66	71
Construction-related injuries	128	187	187	Down	Down	68	67
Construction-related fatalities	4	7	5	Down	Down	3	0
Incident inspections resulting in violations (%)	76.5%	77.1%	79.6%	*	*	81.3%	74.4%
Accidents involving City vehicles	48	36	22	*	*	4	11
Workplace injuries reported	32	16	17	*	*	5	6
Emails responded to in 14 days (%)	62%	50%	37%	50%	*	24%	66%
Letters responded to in 14 days (%)	67%	58%	54%	60%	*	55%	66%
Calls answered in 30 seconds (%)	91%	91%	NA	90%	*	90%	NA
Response to 311 Service Requests							
Percent meeting time to first action - Elevator Defective/Not Working (60 days)	30	50	49	50	*	48	48
Percent meeting time to first action - General Construction/Plumbing - Contrary/Beyond Approved Plans/Permits (60 days)	86	68	70	70	*	73	69
Percent meeting time to first action - General Construction/Plumbing - Failure to Maintain (60 days)	84	77	77	80	*	81	74
Percent meeting time to first action - Illegal Conversion of Residential Building/Space (60 days)	50	44	47	50	*	53	49
Percent meeting time to first action - No Permit - Construction, Plumbing, Cranes & Derricks, Building/Use, Elevator (60 days)	77	70	72	72	*	77	71

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