

THE COUNCIL OF THE CITY OF NEW YORK



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Speaker of the Council

Hon. David Greenfield
Chair, Committee on Land Use

Report on the Fiscal 2016 Preliminary Budget and the
Fiscal 2015 Preliminary Mayor's Management Report

Landmarks Preservation Commission

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Landmarks Preservation Commission Overview

The Landmarks Preservation Commission (LPC or the Commission) designates, regulates, and protects the City’s architectural, historic, and cultural resources. The LPC is comprised of a panel of 11 commissioners who are appointed by the Mayor and supported by a staff of approximately 70 preservationists, researchers, architects, historians, attorneys, archaeologists, and administrative employees. To date, the LPC has designated 1,346 individual landmarks and more than 31,000 properties in 111 historic districts throughout the City. In addition, the LPC reviews applications to alter landmark structures, investigates complaints of illegal work, and initiates action to compel compliance with the Landmarks Law.

This report provides a review of the LPC’s Preliminary Budget for Fiscal Year 2016. In the first section, the highlights of the expense budget are presented. The report provides a financial summary of the Commission’s budget as well as reviews highlights regarding the agency’s contract and revenue budget. The report then provides analysis of significant changes and budget actions included in the Preliminary Budget and reviews relevant sections of the Preliminary Mayor’s Management Report for Fiscal 2015.

Fiscal 2016 Preliminary Budget Highlights

| LPC Expense Budget | | | | | | |
|------------------------------|------------------------|------------------------|-------------------------|-------------------------|----------------|------------------------------------|
| <i>Dollars in Thousands</i> | Actual 2013 | Actual 2014 | Adopted 2015 | Preliminary Plan | | *Difference 2016 - 2015 |
| | | | | 2015 | 2016 | |
| Personal Services | \$4,019 | \$4,315 | \$4,566 | \$4,927 | \$5,051 | \$485 |
| Other Than Personal Services | 433 | 428 | 702 | 780 | 505 | (197) |
| LPC Total | \$4,452 | \$4,743 | \$5,268 | \$5,707 | \$5,556 | \$288 |

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The City’s Fiscal 2016 Preliminary Budget is \$77.7 billion, \$2.7 billion more than the Fiscal 2015 Adopted Budget of \$75 billion. City funds (City tax and non-tax revenues, excluding Capital Budget transfers) total \$57.0 billion, up \$2.1 billion from \$54.8 billion in the Adopted Budget. Of the total budget, \$5.6 million, or less than one tenth of one percent, is allocated to LPC in the Fiscal 2016 Preliminary Budget.

This allocation represents an increase of \$288,000 over LPC’s Fiscal 2015 Adopted Budget of \$5.3 million. The increase is primarily due to funding for collective bargaining agreements and non-union employees’ increases, and additional staffing needs.

Key actions in LPC’s Preliminary Budget include:

- **Headcount Increase.** LPC’s Fiscal 2016 Preliminary Budget includes an increase of two budgeted positions from the Fiscal 2015 Adopted total of 68 positions. These new hires include a director of special projects and strategic planning to manage key agency and interagency initiatives, and a motor vehicle operator to serve as the driver for the Landmarks Preservation Chair. Once baselined, these positions will cost the Commission \$168,000 in Fiscal 2016 and in the outyears.
- **Collective Bargaining.** A total of \$153,000 is added in Fiscal 2015 and \$160,000 in Fiscal 2016 as a result of collective bargaining labor agreements. This funding grows to \$240,000 by Fiscal 2019.

- **Personal Service (PS) Adjustments.** A funding adjustment of \$185,000 in Fiscal 2015 and \$261,000 in Fiscal 2016 supports increased personal service costs in anticipation of union contract settlements. This funding grows to \$317,842 by Fiscal 2019.
- **New York State Archive & Records Administration Grant.** A total of \$10,000 is added in Fiscal 2015 to support staffing costs associated with researching, indexing and reorganizing Bronx, Queens, Staten Island and Brooklyn research files.
- **Fiscal Year 2014 Community Development Block Grant (CDBG) Rollover.** A funding adjustment of \$65,000 in federal CDBG funds originally awarded in Fiscal 2014 was rolled into Fiscal 2015. This CDBG rollover was done to allow for the completion of LPC restoration projects that were committed in Fiscal 2014, but for which construction was not completed due to the construction schedule. These restoration projects are funded through the federal Historic Preservation Grant Program (HPGP), which awards grants to non-profit organizations and to income-eligible owners of landmark buildings under the CDBG program.

Financial Summary

| LPC Financial Summary | | | | | | |
|---------------------------------|------------------------|------------------------|-------------------------|-------------------------|----------------|------------------------------------|
| <i>Dollars in Thousands</i> | Actual 2013 | Actual 2014 | Adopted 2015 | Preliminary Plan | | *Difference 2016 - 2015 |
| | | | | 2015 | 2016 | |
| Spending | | | | | | |
| Personal Services | \$4,019 | \$4,315 | \$4,566 | \$4,927 | \$5,051 | \$485 |
| Other Than Personal Services | 433 | 428 | 702 | 780 | 505 | (197) |
| TOTAL | \$4,452 | \$4,743 | \$5,268 | \$5,707 | \$5,556 | \$288 |
| Funding | | | | | | |
| City Funds | | | \$4,710 | \$5,043 | \$4,978 | \$267 |
| Other Categorical | | | 0 | 0 | 0 | 0 |
| Capital- IFA | | | 0 | 0 | 0 | 0 |
| State | | | 0 | 10 | 0 | 0 |
| Federal - Community Development | | | 558 | 654 | 578 | 21 |
| Federal - Other | | | 0 | 0 | 0 | 0 |
| Intra City | | | 0 | 0 | 0 | 0 |
| TOTAL | \$4,452 | \$4,743 | \$5,268 | \$5,707 | \$5,556 | \$288 |
| Budgeted Headcount | | | | | | |
| Full-Time Positions | 59 | 59 | 68 | 70 | 70 | 2 |
| TOTAL | 59 | 59 | 68 | 70 | 70 | 2 |

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Commission's funding sources for Fiscal 2016 consist of \$5 million in City tax-levy funds and \$578,693 in federal Community Development Block Grant (CDBG) funds. LPC's Fiscal 2016 Preliminary Budget reflects a 5.5 percent increase in spending over the Fiscal 2015 Adopted Budget of \$5.3 million. This is slightly faster growth than overall City budget growth of 3.6 percent over the same period.

Contract Budget

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.

The City's Contract Budget totals \$12.4 billion in Fiscal 2016, an increase of \$438 million or 3.7 percent when compared to the Fiscal 2015 Adopted Budget of \$12 billion. LPC's Fiscal 2016 Preliminary Budget includes 19 registered City contracts, at a total cost of \$223,056. Of these 19 registered contracts, 12 are for maintenance and repairs in relation to restoration projects under the agency's federally funded Historic Preservation Grant Program (HPGP). These contracts are anticipated to cost approximately \$114,790 in Fiscal 2016.

| LPC Fiscal 2016 Preliminary Contract Budget | | | | |
|--|----------------------------|----------------------------|--------------------------------|----------------------------|
| Category | Fiscal 2015 Adopted | Number of Contracts | Fiscal 2016 Preliminary | Number of Contracts |
| Contractual Services General | \$13,403 | 1 | \$13,403 | 1 |
| Maintenance and Repair General | 114,790 | 12 | 114,790 | 12 |
| Office Equipment Maintenance | 4,500 | 2 | 4,500 | 2 |
| Data Processing Equipment | 5,605 | 1 | 5,605 | 1 |
| Printing Contracts | 4,500 | 1 | 4,500 | 1 |
| Temporary Services | 11,000 | 1 | 11,000 | 1 |
| Professional Services Other | 69,258 | 1 | 69,258 | 1 |
| TOTAL | \$223,056 | 19 | \$223,056 | 19 |

Revenue

LPC collects revenue from the issuance of landmark permits and landmark settlements. LPC anticipates additional revenue from the continued growth in permit applications. Applications for work on landmark buildings have been on the rise in recent years, partly due to the resurgence of construction across the City since the economic downturn, and partly as a result of the expansion of landmark protection to thousands of additional buildings to meet community demand. LPC continues to designate landmarks on an ongoing basis, which correlates with an increase in the volume of permit applications. LPC has estimated that the City will realize \$1.2 million in additional revenue above the already budgeted \$3.8 million in Fiscal 2015 from the issuance of landmark permits. In total, the Commission has roughly estimated that the City will realize \$3.8 million in revenue in Fiscal 2016 from the issuance of landmark permits.

| Revenue Sources <i>Dollars in Thousands</i> | 2013 Actual | 2014 Actual | 2015 Adopted | Preliminary Plan | | *Difference 2016 - 2015 |
|--|----------------|----------------|-----------------|------------------|----------------|----------------------------|
| | | | | 2015 | 2016 | |
| Licenses, Permits & Franchises | | | | | | |
| Landmark Permits | \$5,208 | \$6,303 | \$3,814 | \$3,814 | \$3,814 | \$0 |
| Miscellaneous | | | | | | |
| Landmark Settlements and Other | 160 | 111 | 9 | 9 | 9 | 0 |
| TOTAL | \$5,369 | \$6,414 | \$3,823 | \$5,000 | \$3,823 | \$0 |

Performance Indicators

Work Permits Issued

The 2015 Preliminary Mayor's Management report indicates that the Commission has seen a seven percent increase in the number of work permit applications received, with 4,797 applications received during the first four months of Fiscal 2015, up from 4,480 in Fiscal 2014. In addition, LPC's issuance of work permits has increased by 47 percent, from 4,377 in Fiscal 2014 to 6,447 in Fiscal 2015.

Landmarks and Historic Districts

The number of buildings considered for designation at public hearings decreased to one in the first four months of Fiscal 2015, down from 294 for the same reporting period in Fiscal 2014. In addition, the number of individual landmarks and historic districts designated decreased to four during the Fiscal 2015 reporting period, down from seven in Fiscal 2014, and the number of buildings designated decreased by 50 percent to four during the Fiscal 2015 reporting period, down from eight in Fiscal 2014.

(For additional information on performance indicators, see Appendix B).

Appendix A: Budget Actions in the November and the Preliminary Plans

| <i>Dollars in Thousands</i> | FY 2015 | | | FY 2016 | | |
|--|----------------|--------------|----------------|----------------|--------------|----------------|
| | City | Non-City | Total | City | Non-City | Total |
| Agency Budget as of the Adopted 2015 Budget | \$4,710 | \$558 | \$5,268 | \$4,534 | \$558 | \$5,092 |
| New Needs | | | | | | |
| None | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal New Needs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Adjustments | | | | | | |
| DC 37 Collective Bargaining -DC | \$0 | \$26 | \$26 | \$0 | \$16 | \$16 |
| DC 37 Collective Bargaining -City Funding | 120 | 0 | 120 | 131 | 0 | 131 |
| FY14 CD Rollover | 0 | 65 | 65 | 0 | 0 | 0 |
| FY15 Sara Grant | 0 | 10 | 10 | 0 | 0 | 0 |
| PS Adjustment | 113 | 0 | 113 | 170 | 0 | 170 |
| PS Adjustments | 72 | 0 | 72 | 91 | 0 | 91 |
| PS Transfer | 24 | 0 | 24 | 48 | 0 | 48 |
| CD Transfer for Non-Union Employees | 0 | 4 | 4 | 0 | 5 | 5 |
| DC37 Collective Bargaining Agreement Funding | 3 | 0 | 3 | 3 | 0 | 3 |
| Subtotal Other Adjustments | \$332 | \$105 | \$438 | \$443 | \$21 | \$464 |
| Total All Changes | \$332 | \$105 | \$1,147 | \$443 | \$21 | \$464 |
| Agency Budget as of the Preliminary 2016 Budget | \$5,042 | \$663 | \$5,706 | \$4,977 | \$579 | \$5,556 |

Appendix B: Fiscal 2015 Mayor's Management Report Performance Measures

| LPC Performance Indicators | Actual | | | Target | | 4-Month Actual | |
|--|--------|--------|--------|--------|------|----------------|-------|
| | FY12 | FY13 | FY14 | FY15 | FY16 | FY14 | FY15 |
| Individual landmarks and historic districts designated | 36 | 20 | 11 | 20 | 20 | 7 | 4 |
| Total number of buildings designated | 1,040 | 1,408 | 324 | * | * | 8 | 4 |
| Requests for evaluation received and acknowledged | 116 | 307 | 235 | * | * | 81 | 46 |
| Number of buildings considered for designation at public hearings | 2,440 | 1,169 | 371 | * | * | 294 | 1 |
| Work permit applications received | 11,823 | 11,886 | 13,235 | * | * | 4,480 | 4,797 |
| Actions taken on work permit applications received | 11,238 | 11,767 | 13,176 | * | * | 4,377 | 6,447 |
| Certificates of No Effect issued within 10 days (%) | 80% | 87% | 94% | 85% | 85% | 92% | 91% |
| Expedited Certificates of No Effect issued within two days (%) | 92% | 100% | 97% | 100% | 100% | 100% | 84% |
| Permits for minor work issued within 10 days (%) | 81% | 83% | 91% | * | * | 87% | 93% |
| Average days from completed submission until issuance - Certificate of No Effect | N/A | N/A | 4.0 | * | * | 5.0 | 5.0 |
| Average days from completed submission until issuance - Permit for Minor Work | N/A | N/A | 6.0 | * | * | 6.0 | 6.0 |
| Average days from completed submission until issuance - Expedited Certificate of No Effect | N/A | N/A | 0.0 | * | * | 0.0 | 2.0 |
| Number of complaints received | 670 | 815 | 875 | * | * | 316 | 285 |
| Investigations completed | 796 | 806 | 783 | * | * | 255 | 259 |
| Enforcement actions taken: Total warning letters, NOVs, and stop work orders issued | 1,100 | 1,030 | 993 | * | * | 308 | 359 |
| Warning letters issued | 810 | 744 | 766 | * | * | 246 | 278 |
| Notices of Violation issued | 270 | 258 | 181 | * | * | 45 | 44 |
| Violations admitted to or upheld at the Environmental Control Board (%) | 79% | 87% | 97% | * | * | 95% | 97% |
| Notices of Violation upheld at the Environmental Control Board (%) | 98% | 98% | 97% | * | * | N/A | N/A |
| Archaeology applications received | 283 | 242 | 284 | * | * | 104 | 106 |
| Archaeology applications reviewed within 10 days (%) | 96% | 96% | 98% | 85% | 85% | 96% | 97% |
| Letters responded to in 14 days (%) | 88% | 88% | 94% | * | * | 95% | 87% |
| E-mails responded to in 14 days (%) | 98% | 99% | 100% | * | * | 100% | 100% |
| Completed customer requests for interpretation | 0 | 1 | 0 | * | * | 0 | 1 |
| Number of agency customers surveyed for overall customer satisfaction | 175 | 139 | 60 | * | * | N/A | N/A |
| Number of emails sent to an agency (through NYC.gov or a publicized agency email address) | 6,907 | 6,967 | 5,939 | * | * | 2,249 | 2,426 |
| Number of letters sent to an agency | 773 | 440 | 1,586 | * | * | 955 | 89 |