

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Rafael Salamanca, Jr.
Chair, Committee on Land Use



Report of the Finance Division on the
Fiscal 2021 Preliminary Budget and the
Fiscal 2020 Preliminary Mayor's Management Report for the
Landmarks Preservation Commission

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Table of Contents

Department of Citywide Administrative Services Overview1

Fiscal 2020 Preliminary Budget Highlights2

Financial Plan Summary3

Funding Sources4

Headcount5

Contract Budget5

Miscellaneous Revenue.....5

Appendices:8

 A: Budget Actions in the November and the Preliminary Plans8

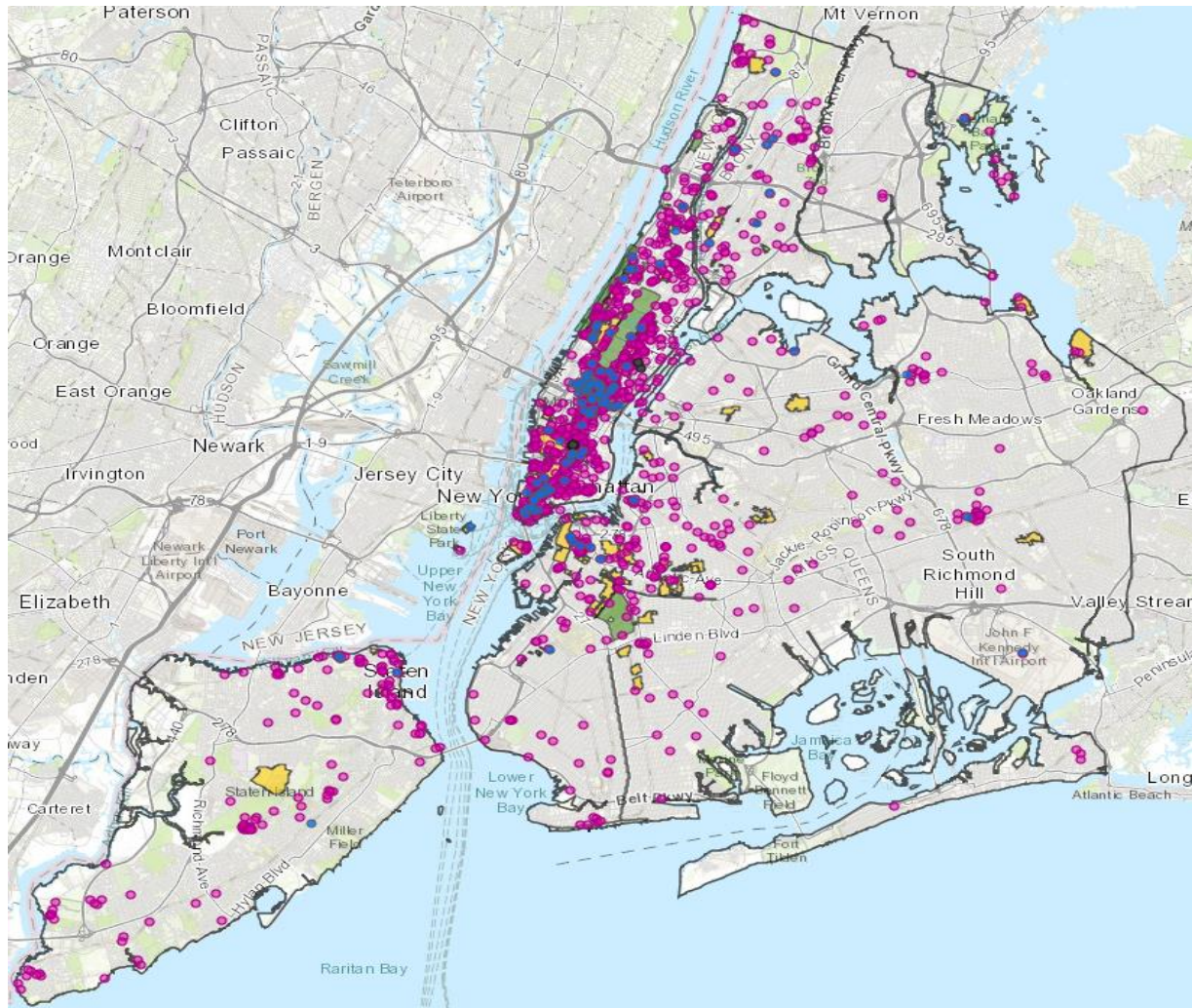
 B: LPC Contract Budget8

 C: LPC Miscellaneous Revenue8

Department of Citywide Administrative Services Overview

The Landmarks Preservation Commission (LPC or the Commission) is the largest municipal preservation agency in the nation. It is responsible for protecting New York City's architecturally, historically, and culturally significant buildings and sites by granting them landmark or historic district status, and regulating them after designation.

Figure 1: Citywide Landmark Designations



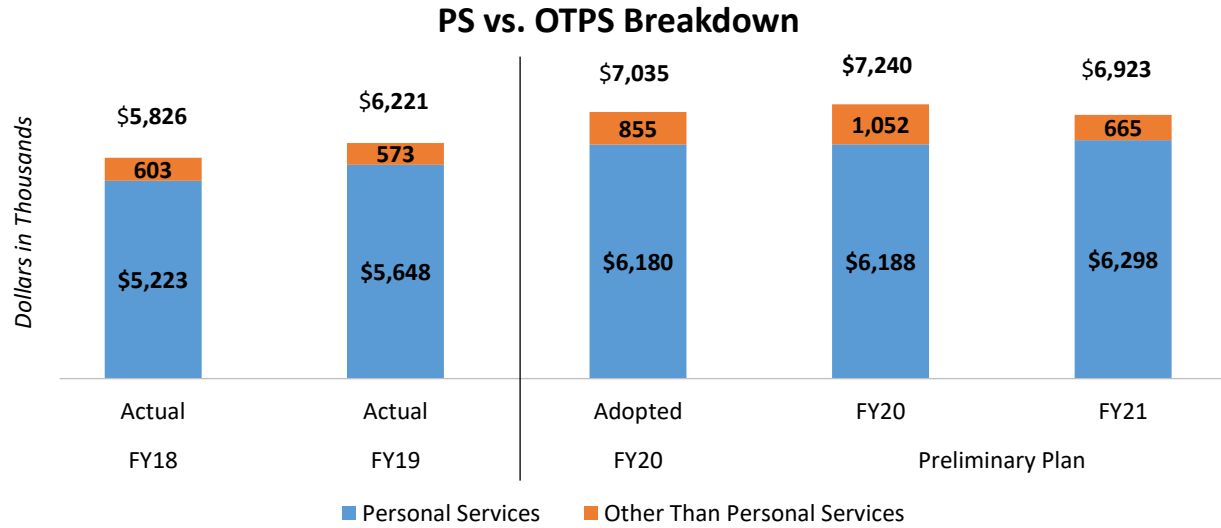
Source: LPC

LPC goals include:

- Stabilize and improve property values;
- Foster civic pride;
- Protect and enhance the City's attractions to tourists;
- Strengthen the economy of the City; and
- Promote the use of historic districts, landmarks, interior landmarks, and scenic landmarks for the education, pleasure and welfare of the people of the City.

Fiscal 2021 Preliminary Budget Highlights

LPC's Fiscal 2021 Preliminary Budget totals \$6.9 million (including City and non-City funds). The Department's Fiscal 2021 Preliminary Budget is \$72,000 less than the Fiscal 2020 Adopted Budget of \$7 million. The Fiscal 2021 budget for LPC includes \$6.3 million for Personal Services (PS) costs and \$665,000 for Other Than Personal Services (OTPS) costs. PS includes all full-time and part-time position costs as well as overtime spending, while OTPS includes property, equipment, supplies, and services contracted out to other entities. Since the Fiscal 2020 Budget adoption, PS spending for Fiscal 2020 has increased by \$8,000, while OTPS spending increased by \$197,000.



Key budget actions following the Fiscal 2020 Adopted Budget are as follows.

Other Adjustments

LPC Permit Revenue Increase. Due to a re-estimate, LPC expects to realize additional revenue of \$95,000 in Fiscal 2021 and in the outyears from landmark permitting fees. This increase raises LPC's expected annual permit revenue, which accounts for almost all of LPC's revenue, to \$6.1 million.

Fiscal 2020 Community Development Block Grant (CDBG) Rollover. LPC's Historic Preservation Grant Program is funded with federal CDBG. Due to the variable nature and expected completion dates, LPC rolled over \$158,000 from Fiscal 2019 to Fiscal 2020 in the 2019 November Plan for the following projects.

HPGP Project	Project Type	Scope and Status	Expected Completion	Amount Rolled Over
Lewis Latimer House Museum, Queens	Not-for-Profit	Awarded in FY2017 for window replacement	Fall 2019	\$20,985
The Henry Street Settlement, Manhattan	Not-for-Profit	Awarded in FY2018 for ironwork restoration	Fall 2019	\$18,962
Stuyvesant Heights Christian Church, Brooklyn	Not-for-Profit	Awarded in FY2019 for façade restoration (day care)	Spring 2020	\$31,695
186 Maple Street, Brooklyn	Residential	Awarded in FY2019 for façade restoration	Spring 2020	\$29,873
Little Theater/Helen Hayes Theater, Manhattan	Not-for-Profit	Awarded in FY2019 for cornice repair	Fall 2020	\$30,000
Biltmore Theater, Manhattan	Not-for-Profit	Awarded in FY2019 for water infiltration prevention at façade	Fall 2020	\$26,226

Financial Plan Summary

Table1: Landmark Preservation Commission Financial Plan Summary

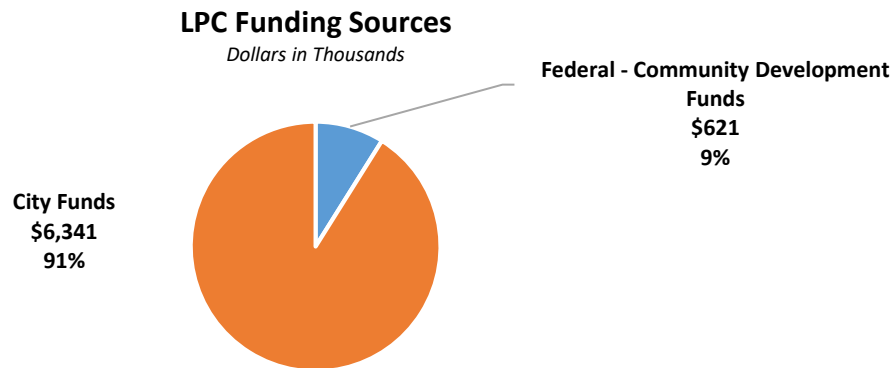
<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Personal Services	\$5,223	\$5,648	\$6,180	\$6,188	\$6,298	\$118
Other Than Personal Services	603	573	855	1,052	665	(190)
TOTAL	\$5,826	\$6,221	\$7,035	\$7,240	\$6,963	(\$72)
Personal Services						
Additional Gross Pay	\$104	\$303	\$127	\$127	\$127	\$0
Full-Time Salaried - Civilian	4,887	5,141	5,727	5,735	5,843	116
Other Salaried & Unsalaries	217	193	319	319	321	2
Overtime - Civilian	15	11	7	7	7	0
SUBTOTAL	\$5,223	\$5,648	\$6,180	\$6,188	\$6,298	\$118
Other Than Personal Services						
Contractual Services	\$208	\$165	\$211	\$432	\$211	\$0
Fixed & Misc. Charges	3	7	0	0	0	0
Other Services & Charges	284	290	311	285	311	0
Property & Equipment	54	46	29	53	29	0
Supplies & Materials	54	65	304	282	114	(190)
SUBTOTAL	\$603	\$573	\$855	\$1,052	\$665	(\$190)
TOTAL	\$5,826	\$6,221	\$7,035	\$7,240	\$6,963	(\$72)
Funding						
City Funds			\$6,417	\$6,425	\$6,342	(\$75)
Federal - Community Development			618	795	621	3
TOTAL	\$5,826	\$6,221	\$7,035	\$7,240	\$6,963	(\$72)
Budgeted Headcount						
Full-Time Positions - Civilian	67	72	76	76	77	1
TOTAL	67	72	76	76	77	1

**The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Preliminary Budget.*

Since the Fiscal 2020 Adopted Budget, the financial plans have introduced several changes to LPC's Fiscal 2020 and Fiscal 2021 Budgets. For Fiscal 2020, these include a \$7,000 increase for collective bargaining costs and state and federal grant rollovers totaling \$170,000. For Fiscal 2021, the changes include an \$8,000 increase for collective bargaining costs and \$95,000 in revenue adjustments. Other differences in year-over-year spending are due to previously scheduled adjustments.

See Appendix A, on page 9 for a breakdown of all actions.

Funding Sources



LPC's budget is supported through two primary funding sources. Of the total budget, City tax-levy accounts for 91 percent, with federal CDBG accounting for the remaining 9 percent. The Fiscal 2021 Preliminary Plan recognizes a total of \$621,000 in federal funding.

Historic Preservation Grant Program Background

Table 2: Number of Historic Preservation Grants Awarded

	FY16	FY17	FY18	FY19	FY20
Homeowner Grants	3	2	1	1	3
Non-profit Grants	1	1	2	3	2
TOTAL GRANTS AWARDED	4	3	3	4	5

LPC's federally funded Historic Preservation Grant Program provides for grants ranging from \$10,000 to \$30,000 to income-eligible homeowners and non-profits.

- To qualify for a grant: 1) the building must be a designated New York City landmark building located in a historic district or an individual landmark; 2) owners must meet the federal CDBG income limits for household income; and 3) non-profit organizations must own a designated New York City landmark or a building located within a designated historic district, and must be a charitable, scientific, educational, literary, or other entity organized under section 501 (c)(3) of the Internal Revenue Code that can demonstrate the need for financial assistance.
- In addition, the type of work, nature of property and level of deterioration determines support.
- For applications that meet the CDBG requirements, the Grant Program Board also considers the architectural and historic importance of the building; the building's condition and the significance of the repairs; the applicant's financial resources, and the effect the grant will have on improving the building and/or district.
- Eligible façade work includes:
 - Masonry rebuilding and repointing;
 - restoration of façades, sills, lintels;
 - Paint removal; and
 - Stoop repair, and repair and replacement of windows, cornices, and front doors.

LPC Headcount

	Fiscal 2020 Adopted	Fiscal 2020 January	Fiscal 2020 Actual	Under/ (Over)	Fiscal 2021 January
Full-Time Positions	76	76	73	3	77
TOTAL	76	76	73	3	77

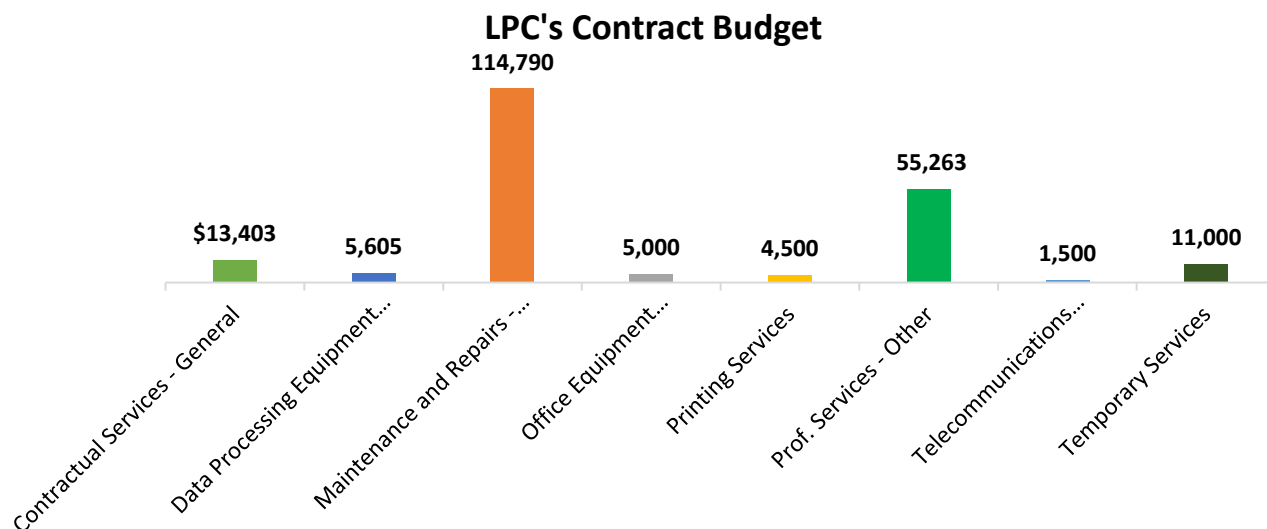
Note: Actuals are as of January 2020

The Department's headcount in Fiscal 2020 has remained flat since adoption. The Fiscal 2021 Preliminary Plan increases DCP's budgeted headcount by one position, from 76 to 77 in Fiscal 2021. As of January 2020, the Department is three positions under its budgeted headcount when compared to the Fiscal 2020 Adopted Budget, as shown in the "LPC Headcount" table above.

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 personnel service provided to the City by means of a contract. The Contract Budget is a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Fiscal 2021 Preliminary Budget totals \$17 billion for procurement expenditures across all agencies over 17,873 contracts.

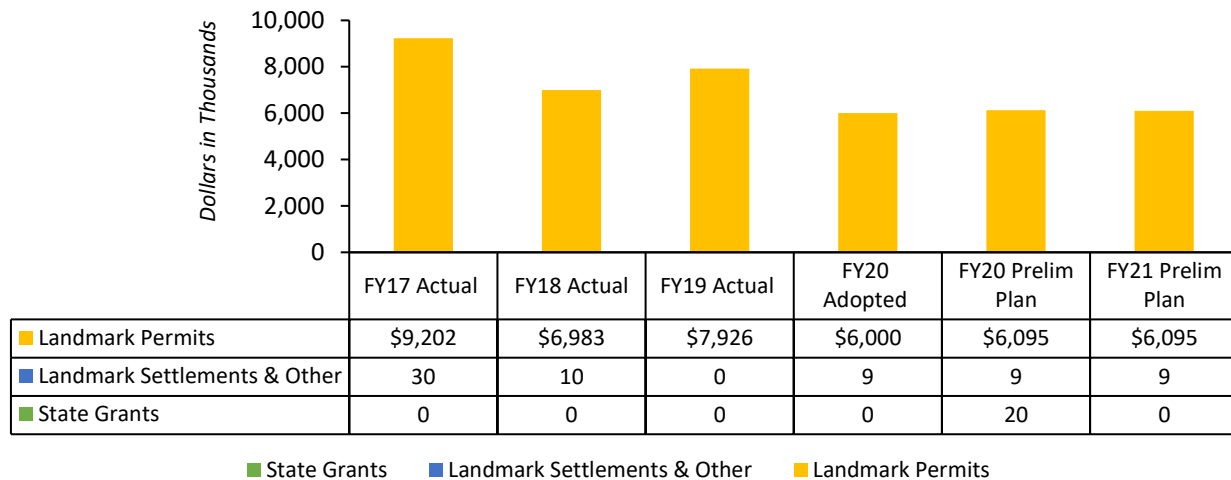
LPC's Fiscal 2021 Contract Budget totals \$211,061 for 20 contracts. Twelve contracts for maintenance and repairs comprise 54.5 percent of the Department's total contact budget, with a total of \$115,000 for Fiscal 2021. These contracts are part of LPC's restoration projects under the federally-funded Historic Preservation Grant Program.



Miscellaneous Revenue

LPC collects revenue from the issuance of landmark permits and landmark settlements. After a rise in the number of applications for work on landmark buildings, in part, due to a resurgence in construction work across the City following the economic downturn, revenue from permits has declined from its Fiscal 2017 peak of \$9.2 million. LPC estimates that the City will realize approximately \$6.1 million in revenue in Fiscal 2021 from the issuance of landmark permits.

LPC's Miscellaneous Budget



PMMR Performance Measures

LPC Performance Indicators	FY17	FY18	FY19	TGT20	TGT21	4-Month Actual FY19	4-Month Actual FY20
Individual, interior and scenic landmarks, and historic districts, designated	30	21	24	20	20	3	5
– Total number of buildings designated	324	485	642	*	*	3	6
Work permit applications received	13,874	14,011	14,069	*	*	4,798	4,610
Actions taken on work permit applications received	13,533	12,563	12,803	*	*	4,505	4,492
Certificates of No Effect issued within 10 business days (%)	93%	85%	82%	85%	85%	81%	84%
Expedited Certificates of No Effect issued within two business days (%)	94%	96%	99%	100%	100%	100%	99%
Permits for minor work issued within 10 business days (%)	92%	82%	80%	*	*	81%	82%
Number of complaints received	677	583	492	*	*	190	215
Investigations completed	661	648	394	*	*	148	155
Enforcement actions taken: Total warning letters, NOVs, and stop work orders issued	937	837	479	*	*	184	231
Violations admitted to or upheld at the Office of Administrative Trials and Hearings (%)	98%	98%	98%	*	*	98%	94%
Archaeology applications received	318	345	390	*	*	134	135
Archaeology applications reviewed within 10 business days (%)	96%	92%	98%	85%	85%	97%	99%
Letters responded to in 14 days (%)	85%	88%	89%	*	*	87%	81%
E-mails responded to in 14 days (%)	99%	93%	87%	*	*	81%	95%

- In the first four months of Fiscal 2020, the number of work permit application received fell slightly to 4,610 from 4,798 in Fiscal 2019. Actions taken on work permit applications in the first four months of the fiscal year remained relatively flat between Fiscal 2019 (4,505) and Fiscal 2020 (4,492). The LPC updated its Permit Application Guide (renamed LPC Permit Guidebook: *How to Get Staff-Level Approvals*) to reflect new rules and amendments adopted by the Commission in January 2019.
- In the first four months of Fiscal 2020, enforcement actions taken: total warning letters, NOVs, and stop work orders issued increased from 184 in Fiscal 2019 to 231 in Fiscal 2020. LPC's capacity to perform enforcement actions continues to rise, increasing by almost 300 percent

since Fiscal 2018. Despite the increase, it should be noted that even though LPC enforcement is complaint-driven, there is not a one-to-one correlation between the number of complaints received and the number of enforcement actions taken. This is the case because after investigation, some complaints may be determined to be unfounded and result in no violations.

Appendices:

A. Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
LPC Budget as of the Adopted FY20 Budget	\$6,417	\$618	\$7,035	\$6,238	\$621	\$6,859
New Needs						
N/A	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
CSBA: Attorneys Collective Bargaining	\$7	\$0	\$7	\$8	\$0	\$8
FY20 CD OTPS Increase	0	10	10	0	0	0
FY20 CDBG Rollover	0	158	158	0	0	0
FY20 CLG PRES Rollover	0	20	20	0	0	0
FY20 CD OTPS Increase - HABS	0	10	10	0	0	0
LPC Permit Revenue Increase	0	0	0	95	0	95
Subtotal, Other Adjustments	\$7	\$198	\$205	\$103	\$0	\$103
TOTAL, All Changes	\$7	\$198	\$205	\$103	\$0	\$103
LPC Budget as of the Preliminary FY21 Budget	\$6,424	\$816	\$7,240	\$6,341	\$621	\$6,963

B. LPC Contract Budget

LPC Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY20 Adopted	Number of Contracts	FY21 Preliminary	Number of Contracts
Contractual Services - General	\$13,403	1	\$13,403	1
Data Processing Equipment Maintenance	5,605	1	5,605	1
Maintenance and Repairs - General	114,790	12	114,790	12
Office Equipment Maintenance	5,000	2	5,000	2
Printing Services	4,500	1	4,500	1
Prof. Services - Other	55,263	1	55,263	1
Telecommunications Maintenance	1,500	1	1,500	1
Temporary Services	11,000	1	11,000	1
TOTAL	\$211,061	20	\$211,061	20

C. LPC Miscellaneous Revenue

LPC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY18 Actual	FY19 Actual	FY20 Adopted	Preliminary Plan		*Difference
				FY20	FY21	FY20-FY21
Landmark Permits	\$6,983	\$7,926	\$6,000	\$6,095	\$6,095	\$95
Landmark Settlements & Other	10	0	9	9	9	0
State Grants	0	0	0	20	0	0
TOTAL	\$6,993	\$7,926	\$6,009	\$6,124	\$6,104	\$95

*The difference of Fiscal 2020 Adopted compared to Fiscal 2021 Preliminary Budget.