

# THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson  
Speaker of the Council

Hon. Robert Cornegy Jr.,  
Chair, Committee on Housing and Buildings



Report of the Finance Division on the  
Fiscal 2022 Preliminary Plan for the

## **Department of Buildings**

March 5, 2021

### **Finance Division**

Luke Zangerle, Financial Analyst

Chima Obichere, Unit Head

---

Latonia McKinney, Director  
Regina Poreda Ryan, Deputy Director

Nathan Toth, Deputy Director  
Paul Scimone, Deputy Director

**Table of Contents**

Department of Buildings Overview .....1

DOB Fiscal 2022 Preliminary Expense Budget .....2

Department of Buildings Financial Summary .....3

Headcount .....4

Contract Budget.....4

Miscellaneous Revenue .....5

Budget Transparency Issues .....7

Construction Safety & Compliance.....8

Appendices .....10

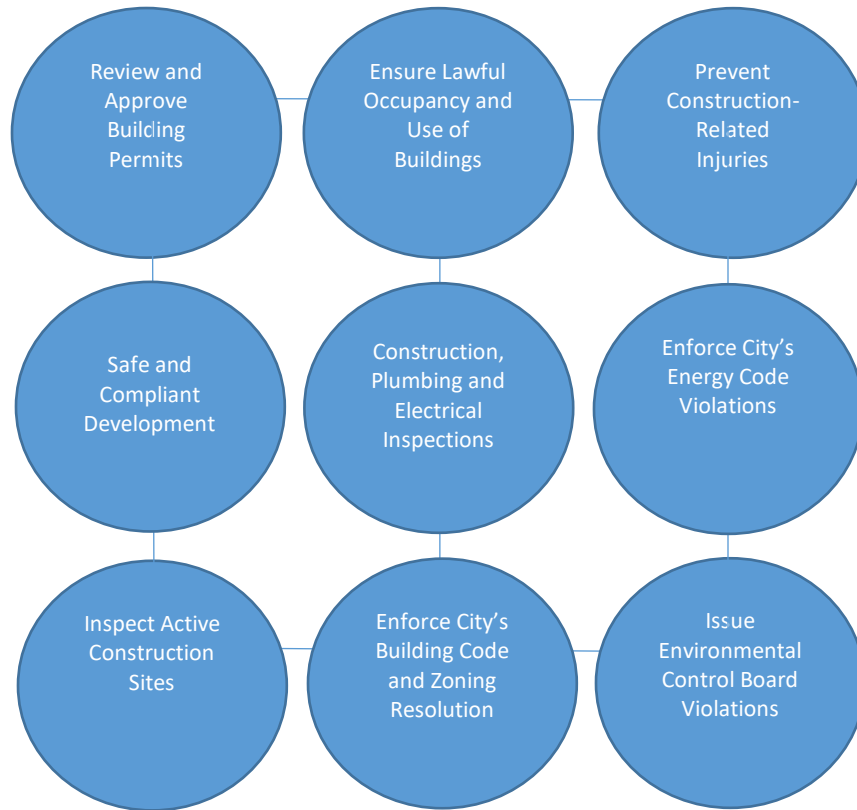
    A: Budget Actions in the November and the Preliminary Plans.....10

    B: DOB Contract Budget .....10

## Department of Buildings Overview

The Department of Buildings (DOB) regulates the safe and lawful use of more than 1 million buildings and 45,000 active construction sites by enforcing laws, including the City's Construction Codes, Zoning Resolutions and Energy Codes, as well as the New York State Multiple Dwelling Laws.

**Figure 1: DOB Services and Activities**



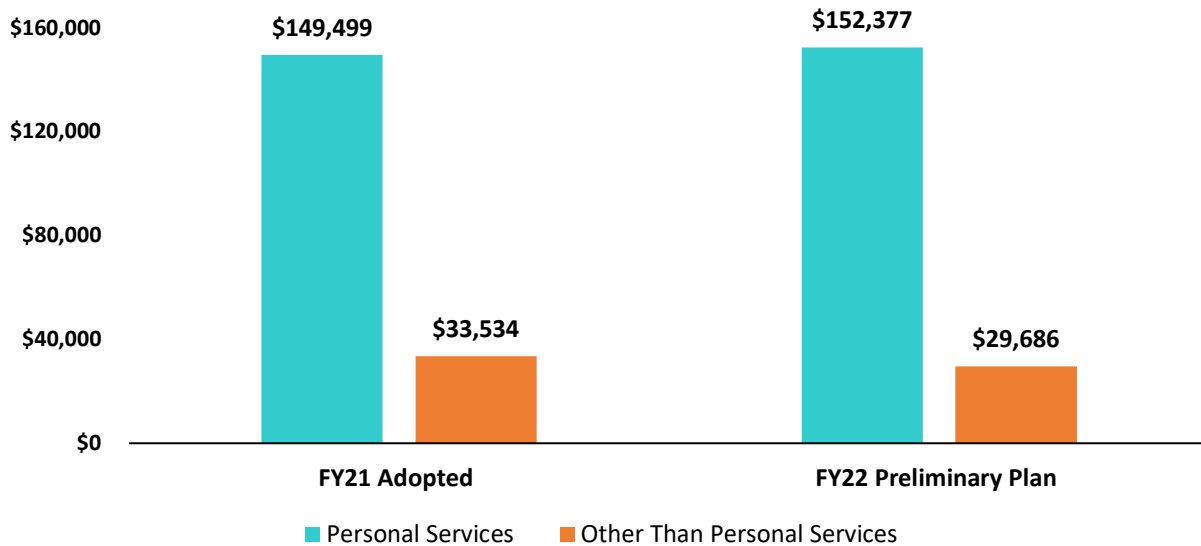
### DOB's activities include:

- Regulates the safe and lawful use of over 1 million buildings and 45,000 active construction sites;
- Enforces compliance with the City's Construction Codes, Zoning Resolutions and Energy Codes;
- Reviews building plans for new buildings, minor and major renovations;
- Issues building permits and renewals;
- Conducts inspections for construction, electrical and plumbing work;
- Reviews and issues licenses and certificates of occupancy;
- Responds to complaints and issues violations of building and zoning laws;
- Conducts audits on projects that are professionally certified;
- Conducts inspections of boilers and elevators;
- Identifies buildings that pose a threat to public safety;
- Penalizes unsafe and corrupt behavior; and
- Issues certifications for construction site safety monitors.

## DOB Fiscal 2022 Preliminary Expense Budget

The Fiscal 2022 Preliminary Budget for the Department of Buildings totals \$182.1 million, comprised of all City funds, including \$152.4 million for Personal Services (PS) to support 1,794 full-time employees and \$29.7 million for Other Than Personal Services (OTPS) to support contractual and professional services.

**Figure 2: DOB Budget Overview**



### DOB Budget Actions Since the Fiscal 2021 Adopted Budget

Since the Fiscal 2021 Adopted Budget, DOB has identified \$10 million in new needs and a net of \$7.3 million in other adjustments for Fiscal 2021. In addition, as part of the Citywide Savings program DOB has identified \$2.7 million savings in Fiscal 2021 that grows to \$12 million in Fiscal 2022. A detailed account of budget actions since the Fiscal 2021 Adopted Budget can be found in Appendix A on page 10. The 2020 November Plan and the Fiscal 2022 Preliminary Plan includes these key actions for DOB:

#### COVID-19 Spending

- Situation Room.** In the 2020 November Plan, the Department received \$10 million as part of the Administration’s COVID-19 Situation Room. Formed in September, the Situation Room is a multi-agency partnership that provides a single point-of-contact for information sharing and response to COVID-19 cases in schools.
- Intra-City FEMA Funding for Security Services.** In the 2020 November Plan, the Department of Buildings received \$3.1 million in intra-city FEMA funding. The Administration has commenced its COVID testing center initiative led by NYC Health and Hospitals (HHC) with the goal of increasing the availability of COVID testing. The Department of Buildings solicited, awarded, and managed the security guard services required at these testing centers. HHC has entered into an intra-city agreement with DOB, whereas HHC will reimburse DOB for all expenses related to the security guard procurement on a quarterly basis. The agreement is effective through May 12, 2021 and may be renewed.

## Department of Buildings Financial Summary

**Table 1: Department of Buildings Financial Summary**

<b>DOB Financial Summary</b>						
<i>Dollars in Thousands</i>						
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>FY21</b>	<b>FY22</b>	<b>FY21-FY22</b>
<b>Spending</b>						
Personal Services	\$132,641	\$140,224	\$149,499	\$145,743	\$152,377	\$2,878
Other Than Personal Services	40,606	49,307	33,534	51,877	29,686	(3,848)
<b>TOTAL</b>	<b>\$173,247</b>	<b>\$189,531</b>	<b>\$183,033</b>	<b>\$197,620</b>	<b>\$182,063</b>	<b>(\$970)</b>
<b>Personal Services</b>						
Additional Gross Pay	\$4,941	\$3,290	\$1,566	\$1,566	\$1,598	\$0
Fringe Benefits	57	108	3	3	3	0
Full-Time Salaried - Civilian	118,669	126,410	144,012	140,256	146,858	3
Overtime - Civilian	7,486	8,805	2,992	2,992	2,992	0
P.S. Other	4	-1	0	0	0	0
Unsalaries	1,484	1,612	926	926	926	0
<b>SUBTOTAL</b>	<b>\$132,641</b>	<b>\$140,224</b>	<b>\$149,499</b>	<b>\$145,743</b>	<b>\$152,377</b>	<b>\$2,878</b>
<b>Other Than Personal Services</b>						
Contractual Services	\$11,369	\$14,442	\$11,890	\$15,381	\$10,504	(\$1,386)
Contractual Services - Professional Services	14,292	21,015	11,246	25,538	9,981	(1,265)
Fixed & Misc. Charges	380	269	0	55	0	0
Other Services & Charges	7,897	8,533	7,019	7,175	6,694	(325)
Property & Equipment	4,775	1,145	1,250	1,102	854	(396)
Supplies & Materials	1,893	3,903	2,129	2,626	1,653	1,657
<b>SUBTOTAL</b>	<b>\$40,606</b>	<b>\$49,307</b>	<b>\$33,534</b>	<b>\$51,877</b>	<b>\$29,686</b>	<b>(\$3,848)</b>
<b>TOTAL</b>	<b>\$173,247</b>	<b>\$189,531</b>	<b>\$183,033</b>	<b>\$197,620</b>	<b>\$182,063</b>	<b>(\$970)</b>
<b>Funding</b>						
City Funds			\$183,033	\$189,446	\$182,063	(\$970)
Other Categorical	-	-	-	-	-	-
Capital- IFA	-	-	-	-	-	-
State	-	-	-	-	-	-
Federal - Community Development	-	-	-	-	-	-
Federal - Other	-	-	-	-	-	-
Intra City	-	-	-	8,174	-	-
<b>TOTAL</b>	<b>\$173,247</b>	<b>\$189,531</b>	<b>\$183,033</b>	<b>\$197,620</b>	<b>\$182,063</b>	<b>(\$970)</b>
<b>Budgeted Headcount</b>						
Full-Time Positions - Civilian	1,611	1,676	1,731	1,716	1,794	63
<b>TOTAL</b>	<b>1,611</b>	<b>1,676</b>	<b>1,731</b>	<b>1,716</b>	<b>1,794</b>	<b>63</b>

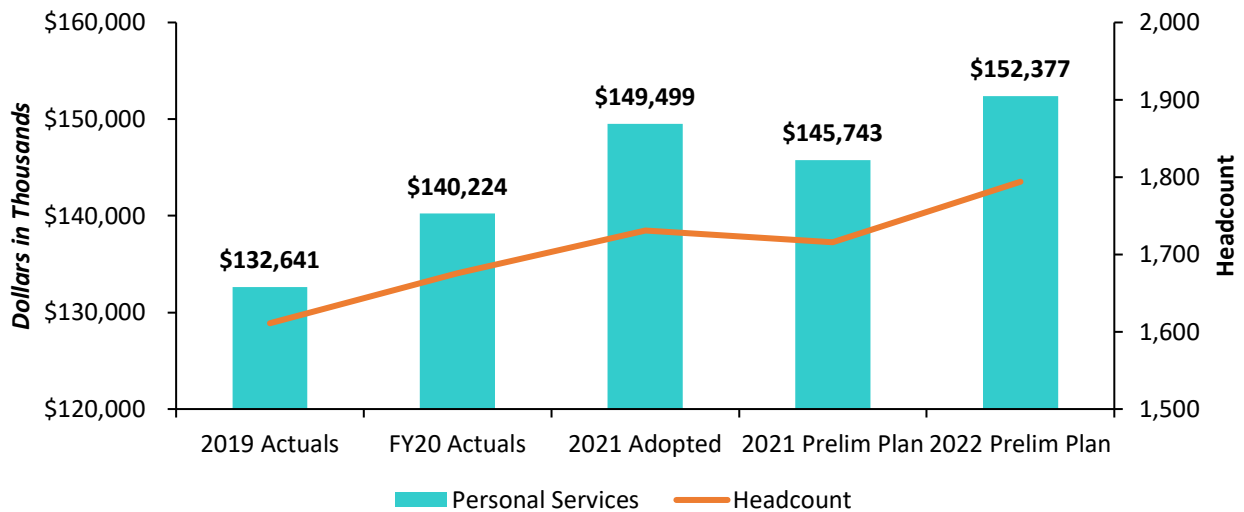
\*The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Preliminary Budget.

DOB's expense budget is organized by two units of appropriation (U/A), Personal Services (PS) and Other Than Personal Services (OTPS), each of which represents a function of the Department. The Department's Fiscal 2022 Preliminary Budget totals \$182.1 million, comprised of all City funds and remains relatively flat when compared to the Fiscal 2021 Adopted Budget. In Fiscal 2022, spending on PS costs increases by \$2.9 million when compared to the Fiscal 2021 Adopted Budget, with overtime remaining flat at about \$3 million and OTPS spending declining by about \$3.8 million due to various plan adjustments and expenses that are not yet baselined. Historically, year-over-year deficits are addressed at adoption and are often restored.

## Headcount

The Fiscal 2022 Preliminary Budget supports a workforce of 1,794 full-time positions, an increase of 63 positions from the Fiscal 2021 Adopted Budget. Since 2019, DOB’s budgeted headcount has consistently increased coinciding with increased spending on personal services; however, as of January 2021, the Department’s actual headcount is 1,660 positions. DOB currently operates with a 7.5 percent staff vacancy rate.

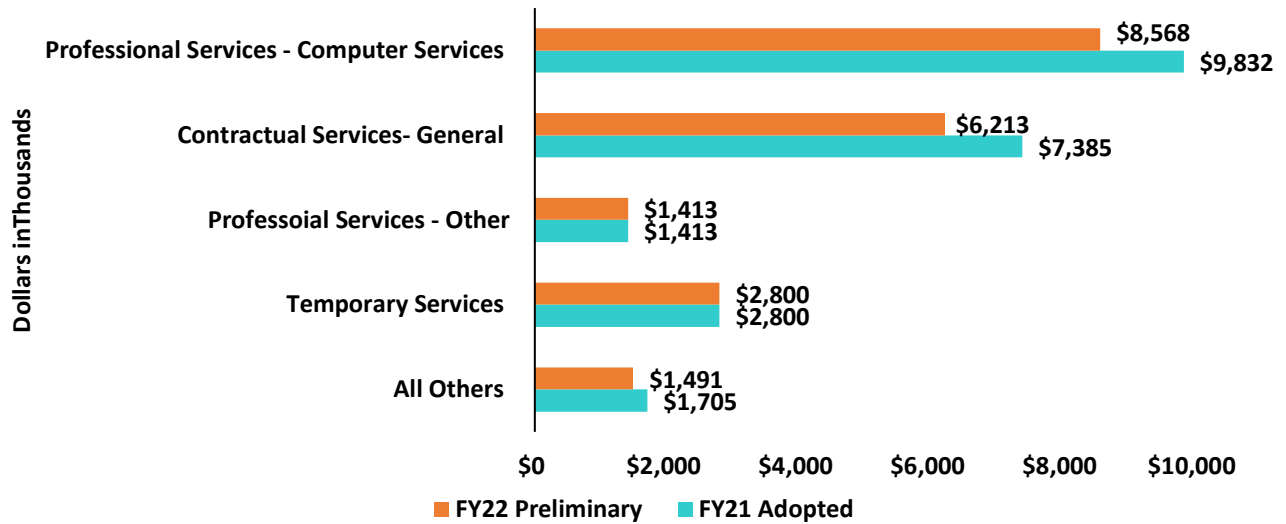
**Figure 3: DOB Budgeted Headcount and PS Growth**



## 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 actually a subset of the OTPS portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Fiscal 2022 Preliminary Contract Budget totals \$17 billion for procurement expenditures across all agencies. DOB’s Fiscal 2022 Preliminary Budget includes 14 registered City contracts, at a total cost of \$20.5 million, which represents a \$2.6 million decrease from the Fiscal 2021 Adopted Budget. This decrease is primarily due to the Department reducing its number of general service contracts from 9 in the Fiscal 2021 Adopted Budget to 5 in the Fiscal 2022 Preliminary Plan. Of DOB’s 14 registered contracts, 6 are for general contract services or professional computer services, totaling \$14.8 million or 72.2 percent of all DOB contracting.

**Figure 4: DOB Contract Budget Comparison**



### Miscellaneous Revenue

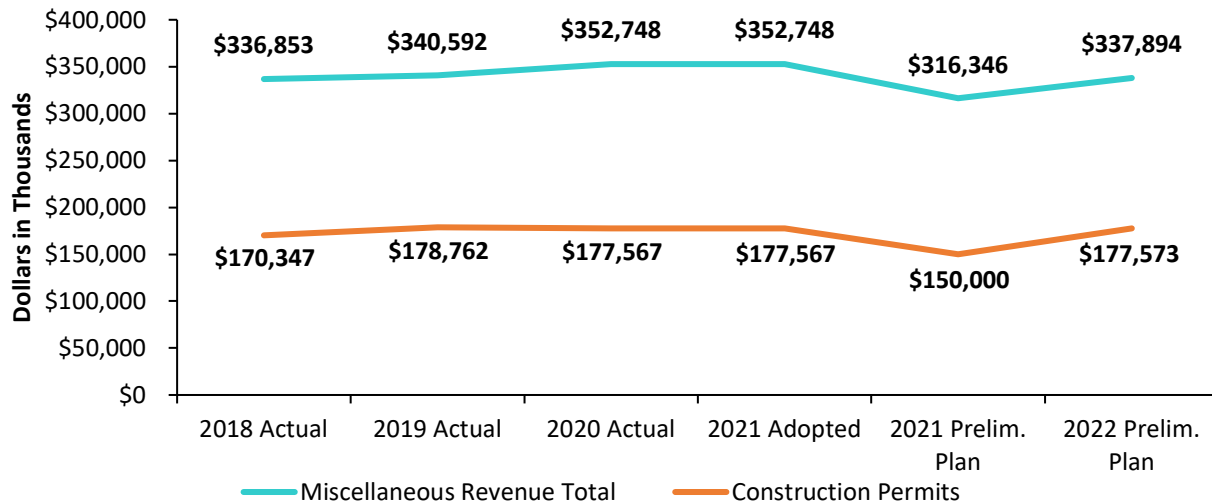
DOB collects revenue from the issuance of licenses and permits, charges for services such as inspection fees, and fines for late filings. In recent years, DOB has implemented several revenue generating initiatives, including improved service delivery in enforcement and development areas and implementing an online inspection program. These actions have resulted in a significant increase in the Department’s ability to collect revenue. The chart below shows the Department’s primary miscellaneous revenue source, which is construction permits, compared to total revenue generated by DOB. Miscellaneous revenue generated by the Department contributes to the City’s General Fund and therefore is not a dedicated funding source for the Department.

**Table 2: DOB Miscellaneous Revenue Budget Overview**

<b>DOB Miscellaneous Revenue Budget Overview</b>						
<i>Dollars in Thousands</i>						
Revenue Sources	FY19	FY20	FY21	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY21	FY22	FY21-FY22
<b>Licenses, Permits &amp; Franchises</b>						
Licenses for Tradesmen	\$3,819	\$3,121	\$3,000	\$3,000	\$2,140	(\$860)
Building Permits	40,024	32,422	33,000	29,000	33,000	0
Illuminated Signs	2,533	\$3,409	2,936	2,936	2,936	0
Construction Permits	206,834	178,762	177,567	150,000	177,573	6
<b>Subtotal, Licenses, Permits, &amp; Franchises</b>	<b>\$253,210</b>	<b>\$217,714</b>	<b>\$216,503</b>	<b>\$184,936</b>	<b>\$215,649</b>	<b>(\$854)</b>
<b>Charges for Services</b>						
Building Inspection Fees	\$13,822	\$12,891	\$13,480	\$14,000	\$13,480	\$0
Scaffold Notification Fees	230	154	375	165	375	0
Electrical Inspection Fees	11,188	10,268	10,000	10,000	10,000	0
Microfilm Fees	12,416	11,428	12,000	12,000	12,000	0
Re-inspection Fees	1,320	1,126	1,000	1,000	1,000	0
Loft Board Fees	1,468	1,498	745	1,600	745	0
Elevator Inspection Fees	4,643	4,282	4,600	4,600	4,600	0
Unsafe Building Fees	31	20	45	45	45	0
<b>Subtotal, Charges for Services</b>	<b>\$45,118</b>	<b>\$41,667</b>	<b>\$42,245</b>	<b>\$43,410</b>	<b>\$42,245</b>	<b>\$0</b>
<b>Fines &amp; Forfeitures</b>						
Late Filing/No Permit Penalties	\$91,610	\$81,211	\$94,000	\$88,000	\$80,000	(\$14,000)
<b>Subtotal, Fines and Forfeitures</b>	<b>\$91,610</b>	<b>\$81,211</b>	<b>\$94,000</b>	<b>\$88,000</b>	<b>\$80,000</b>	<b>(\$14,000)</b>
<b>TOTAL</b>	<b>\$389,938</b>	<b>\$340,592</b>	<b>\$352,748</b>	<b>\$316,346</b>	<b>\$337,894</b>	<b>(\$14,854)</b>

In Fiscal 2022, the Department expects to generate \$337.9 million in revenue, while total expenditures are projected to be \$182.1 million. In the Fiscal 2022 Preliminary Budget, DOB expects to generate \$215.6 million from license, construction permit, and franchise fees, \$42.2 million from charges for services, and \$80 million from the collection of fines and forfeitures. Overall, construction permits are projected to account for 53 percent of the Department’s total miscellaneous revenue in Fiscal 2021 with a total of \$177.6 million.

**Figure 5: DOB Construction Permit Revenue**



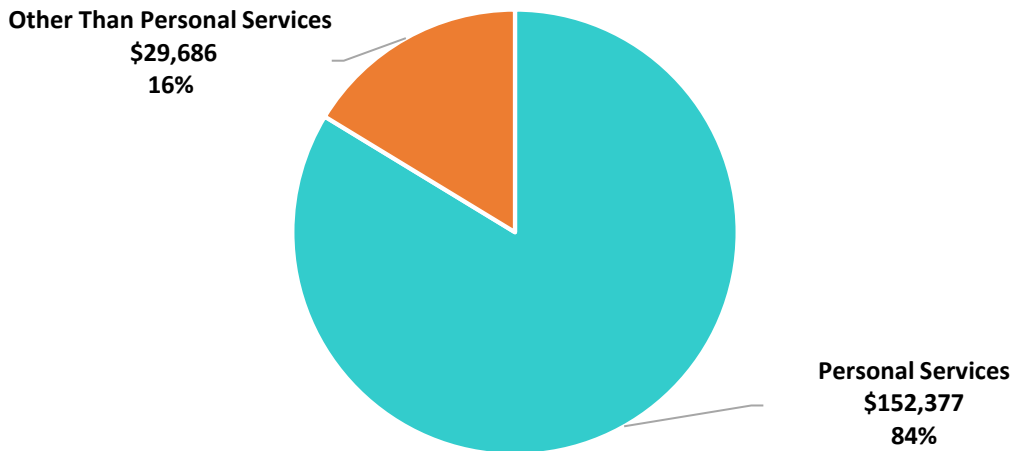


## Budget Transparency Issues

### Units of Appropriation

The Department’s Fiscal 2022 Preliminary Budget currently appropriates \$152.4 million, or 84 percent, of the Department’s \$182.1 million total budget in unit of appropriation 001-Personal Services. Adding more units of appropriation would achieve greater budget transparency.

**Figure 6: DOB FY22 Units of Appropriation**



### The Office of Special Enforcement

The Office of Special Enforcement (OSE) maintains citywide jurisdiction to coordinate and enhance enforcement across City agencies concerning fire and building code violations. The Office was historically made up of 12 staff members deployed from the Mayor’s Office of Criminal Justice (MOCJ), the New York Police Department (NYPD), the Law Department, DOB, the Fire Department (FDNY), and the Department of Finance (DOF), and additional agencies. In recent years, additional positions have been added to supplement increased enforcement efforts. As of the Fiscal 2021 Adopted Budget, the budgeted headcount for OSE totaled 66 positions at an annual cost of \$6.1 million (including \$5 million in PS costs and \$1.2 million in OTPS costs). As of the Fiscal 2022 Preliminary Budget, there are 15 building inspectors at DOB assigned to conduct enforcement inspections as part of OSE at a total annual PS cost of approximately \$1.2 million. As there is no clear budget line for positions deployed to OSE, the Council receives headcount data biannually from the Administration. The table below reflects the most recent data on authorized and actual headcount for OSE. In addition, additional information regarding performance data such as the number of inspections performed annually, the number of violations issued and the amount of fines collected, would be helpful in advancing the Council’s oversight functions.

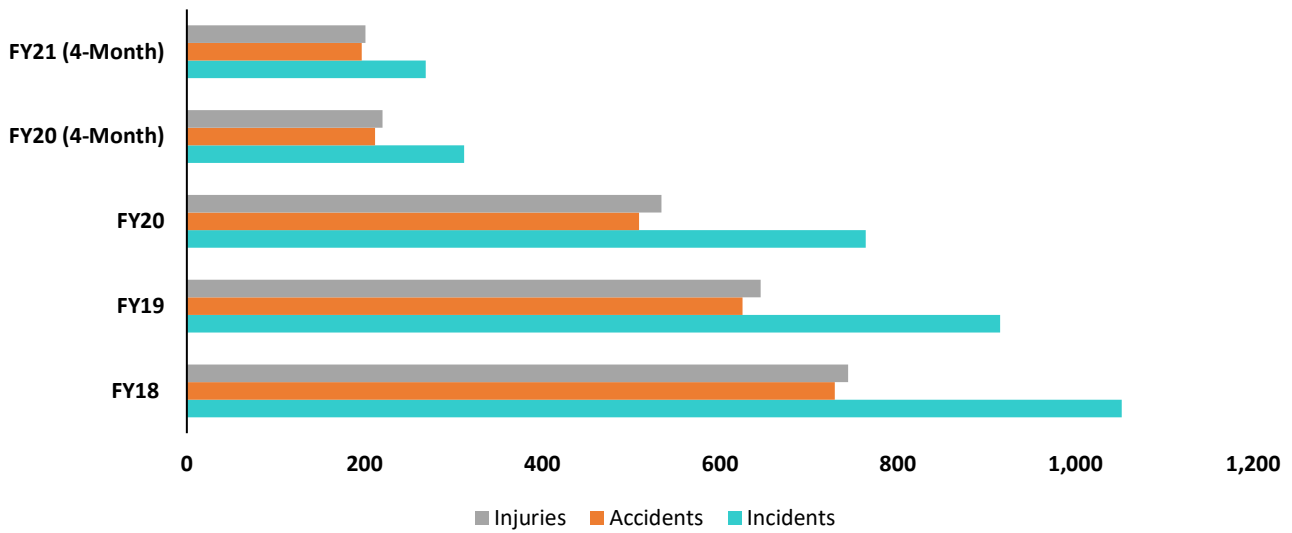
**Table 3: Office of Special Enforcement Headcount and Budget**

<b>Position</b>	<b>Authorized Fiscal 2021 HC</b>	<b>Actual HC as of 9/1/20</b>
<i>Assistant Chief</i>	1	1
<i>Building Inspector/Investigators</i>	13	12
<i>Supervising Inspector</i>	3	3
<b>Total DOB</b>	<b>17</b>	<b>16</b>
<b>OSE/Mayor's Office</b>	8	7
<b>NYPD</b>	7	8
<b>FDNY</b>	11	6
<b>Finance</b>	5	5
<b>Law</b>	16	13
<b>DoITT</b>	2	1
<b>Total All Agencies</b>	<b>66</b>	<b>43</b>
PS Budget FY21	\$4,980,261	
OTPS Budget FY21	\$1,168,002	
<b>Total Budget FY21</b>	<b>\$6,148,263</b>	

## Construction Safety & Compliance

DOB is the lead agency overseeing the construction industry. DOB enforces the Construction Codes, the Zoning Resolution, the Multiple Dwelling Law and other energy, labor and local laws related to building demolition, excavation, construction and alterations within the City. In recent years, DOB has seen a large increase in the number of construction-related incidents, accidents and fatalities while also increasing the number of inspector positions. In Fiscal 2018, DOB reported three-year highs across all three construction safety performance indicators, including 729 construction-related accidents, 744 construction-related injuries, and 16 construction-related fatalities. In response to these trends, the Council and the Administration passed Local Law 196 of 2017, which mandated new construction site safety training requirements for workers on construction job sites. Under the legislation, beginning March 1, 2018, permit holders are now required to ensure that all construction and demolition workers and subcontractors employed or engaged at a permitted site have completed a U.S. Department of Labor Occupational Safety and Health Administration (OSHA) 10-hour training course, an OSHA 30-hour training course, or a 100-hour program of OSHA training. Full implementation of Local Law 196 will occur by March 2021 when the City will require that workers on certain construction sites receive 40 hours of OSHA site safety training or have certification of a completed 100-hour OSHA program.

**Figure 6: Construction Site Safety Metrics**



As reported in the Preliminary Mayor’s Management Report (PMMR), in the first four-month of fiscal 2021 results show improvement across all safety performance metrics compared to the same Fiscal 2020 reporting period. As of the Fiscal 2022 Preliminary Plan, there have been 269 construction related incidents, 197 construction related accidents, 201 construction related injuries and 4 construction related fatalities.

## Appendices

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

<i>Dollars in Thousands</i>	FY21			FY22		
	City	Non-City	Total	City	Non-City	Total
<b>DOB Budget as of the FY21 Adopted Budget</b>	<b>183,033</b>	<b>\$0</b>	<b>\$183,033</b>	<b>194,853</b>	<b>\$0</b>	<b>\$194,853</b>
<b>New Needs</b>						
<i>Situation Room</i>	\$10,000	\$0	\$10,000	\$0	\$0	\$0
<b>Subtotal, New Needs</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Adjustments</b>						
<i>21 T2 DOB FEMA</i>	\$3,140	\$0	\$3,140	\$0	\$0	\$0
<i>Citywide Discretionary Training Freeze</i>	(41)	0	(\$41)	0	0	0
<i>Citywide Wireless Services</i>	(46)	0	(\$46)	(147)	0	(147)
<i>Furlough Labor Savings</i>	(404)	0	(\$404)	0	0	0
<i>IT Contract Savings</i>	(24)	0	(\$24)	0	0	0
<i>Managerial/OJ Furlough Savings</i>	(11)	0	(\$11)	0	0	0
<i>Vehicle Purchase Freeze</i>	(247)	0	(\$247)	(557)	0	(557)
<i>FY21 DOB SRS</i>	1,056	0	\$1,056	0	0	0
<i>FY21 T2 DOB Adjustment</i>	(3,140)	0	(\$3,140)	0	0	0
<i>FY21 T2 DOB Q2 IC</i>	7,119	0	\$7,119	0	0	0
<i>Office Supplies Spending</i>	(63)	0	(\$63)	0	0	0
<b>Subtotal, Other Adjustments</b>	<b>\$7,339</b>	<b>\$0</b>	<b>\$7,339</b>	<b>(\$704)</b>	<b>\$0</b>	<b>(\$704)</b>
<b>Savings Program</b>						
<i>Contract Savings</i>	\$0	\$0	\$0	(\$4,100)	0	(\$4,100)
<i>Hiring Freeze</i>	(289)	0	(289)	(386)	0	(386)
<i>PS Savings</i>	0	0	0	(2,700)	0	(2,700)
<i>Hiring and Attrition Management</i>	(562)	0	(562)	0	0	0
<i>PS Savings</i>	(1,900)	0	(1,900)	(4,900)	0	(4,900)
<b>Subtotal, Savings Program</b>	<b>(\$2,751)</b>	<b>\$0</b>	<b>(\$2,751)</b>	<b>(\$12,086)</b>	<b>\$0</b>	<b>(\$12,086)</b>
<b>TOTAL, All Changes</b>	<b>\$14,588</b>	<b>\$0</b>	<b>\$14,588</b>	<b>(\$12,790)</b>	<b>\$0</b>	<b>(\$12,790)</b>
<b>DOB Budget as of the FY22 Preliminary Budget</b>	<b>\$197,620</b>	<b>\$0</b>	<b>\$197,620</b>	<b>\$182,063</b>	<b>\$0</b>	<b>\$182,063</b>

### B: DOB Contract Budget

<b>DOB FY22 Preliminary Contract Budget</b>				
<i>Dollars in Thousands</i>				
<b>Category</b>	<b>FY21 Adopted</b>	<b>Number of Contracts</b>	<b>FY22 Preliminary</b>	<b>Number of Contracts</b>
Contractual Services - General	\$7,385	9	\$6,213	5
Data Processing Equipment Maintenance	351	1	393	1
Office Equipment Maintenance	22	1	22	1
Prof. Services - Computer Services	9,832	10	8,568	1
Prof. Services - Other	1,413	5	1,413	3
Security Services	600	1	600	1
Temporary Services	2,800	1	2,800	1
Training Program for City Employees	732	1	476	1
<b>TOTAL</b>	<b>\$23,135</b>	<b>29</b>	<b>\$20,485</b>	<b>14</b>