



New York City Council

Hon. Adrienne Adams, Speaker of the Council
 Hon. Pierina Sanchez, Chair, Housing and Buildings Committee

**Report on the Fiscal 2026 Preliminary Plan and
 the Fiscal 2025 Preliminary Mayor’s Management Report for
 the Department of Buildings**

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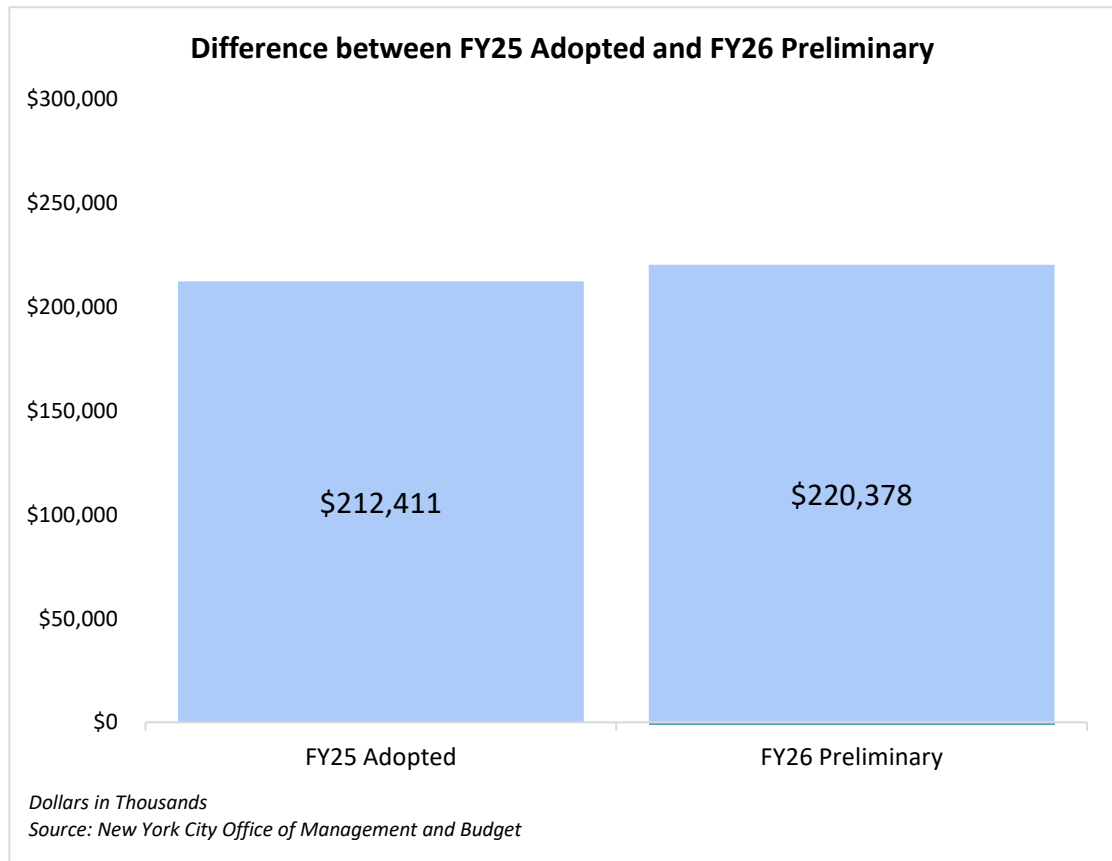
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Fiscal 2026 Preliminary Plan

FY25	FY26
(\$6.1) million since Adopt.	\$29.5 million since Adopt.
↓	↑
(\$12.8) million since Nov.	\$19.1 million since Nov.
↓	↑

Department of Buildings Budget Overview

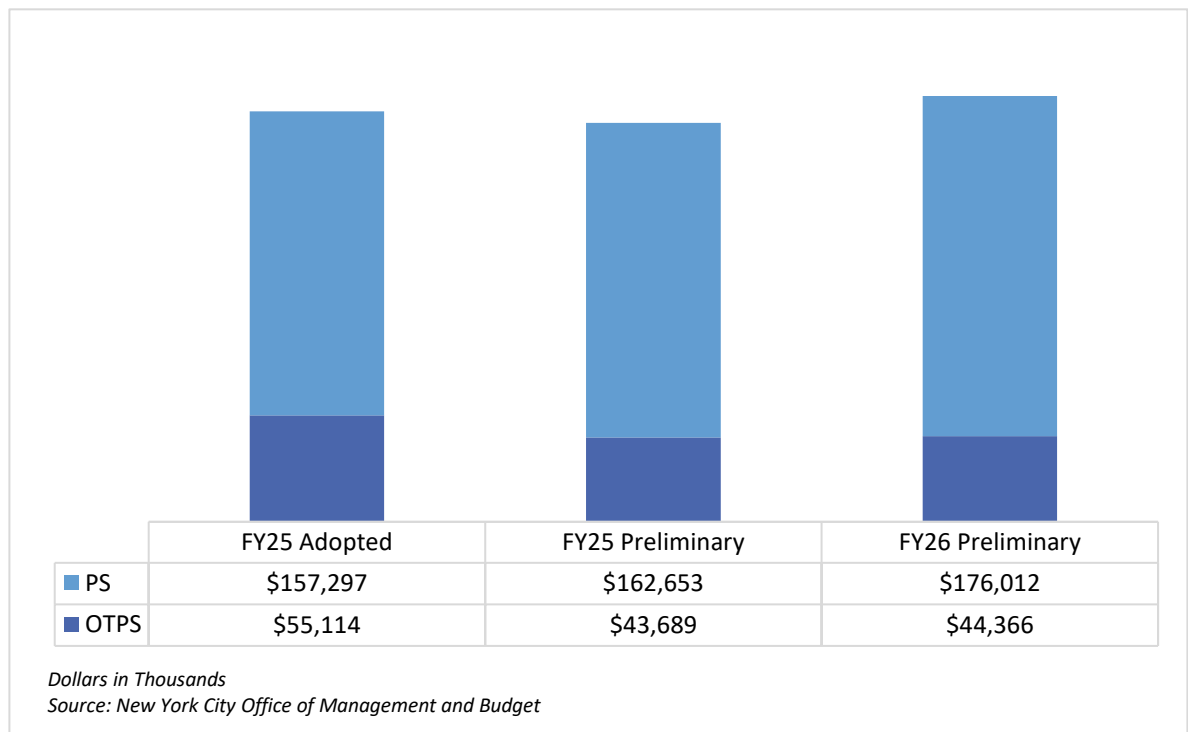
The Preliminary Financial Plan for Fiscal 2025-2029 (Preliminary Plan), includes a proposed Fiscal 2026 budget of \$220.4 million for the Department of Buildings (DOB or the Department). DOB’s Fiscal 2026 budget in the Preliminary Plan is \$19.1 million (9.5 percent) greater than its \$201.3 million Fiscal 2026 budget in the November Financial Plan. The Fiscal 2026 Preliminary Budget is \$8.0 million greater than the Fiscal 2025 Adopted Budget.



**PS and
OTPS:**

**PS:
\$176.0 Million**

**OTPS:
\$44.4 Million**



**Agency
Financial
Summary**

<i>Dollars in Thousands</i>	FY23	FY24	FY25	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY25	FY26	FY26 - FY25
Budget by Program Area						
Agencywide Operations	\$192,134	\$147,222	\$144,630	\$114,965	\$120,897	(\$23,732)
Enforcement and Development	0	43,114	53,697	79,561	85,662	31,965
Sustainability	0	0	14,085	11,816	13,818	(266)
TOTAL	\$192,134	\$190,336	\$212,411	\$206,342	\$220,378	\$7,967
Funding						
City Funds			\$212,411	\$205,639	\$219,695	\$7,284
State			0	134	0	0
Federal - Other			0	569	683	683
TOTAL	\$192,134	\$190,336	\$212,411	\$206,342	\$220,378	\$7,967
Budgeted Headcount						
Full-Time Positions - Civilian	1,552	1,541	1,643	1,741	1,805	162
TOTAL	1,552	1,541	1,643	1,741	1,805	162

**The difference of Fiscal 2025 Adopted Budget compared to Fiscal 2026 Preliminary Budget.
Source: New York City Office of Management and Budget*

**Agency
Contract
Budget:**

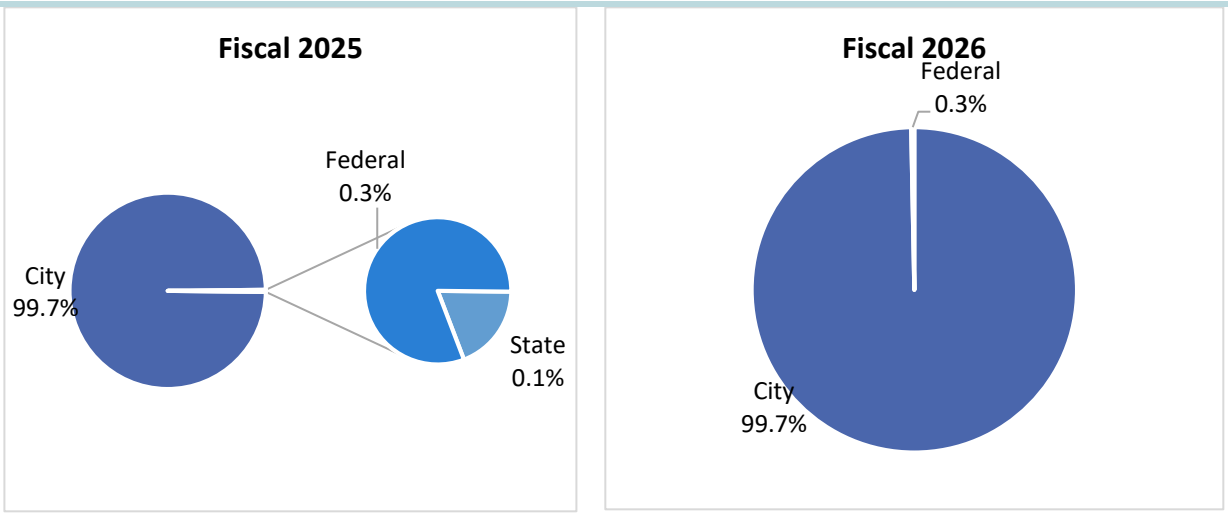
**FY26 Contract
Budget:
\$28.0 Million**

**Number of
Contracts in
FY26: 19**

<i>Dollars in Thousands</i>				
Category	FY25 Adopted	Number of Contracts	FY26 Preliminary	Number of Contracts
Contractual Services - General	\$3,229	4	\$3,825	2
Data Processing Equipment Maintenance	5,455	1	5,121	1
Office Equipment Maintenance	51	1	44	1
Prof. Services - Computer Services	16,986	1	12,758	1
Prof. Services - Other	10,487	13	4,579	9
Security Services	500	1	600	1
Temporary Services	260	2	260	2
Training Program for City Employees	631	2	833	2
TOTAL	\$37,598	25	\$28,021	19

Source: New York City Office of Management and Budget

Agency Budget by Funding Source

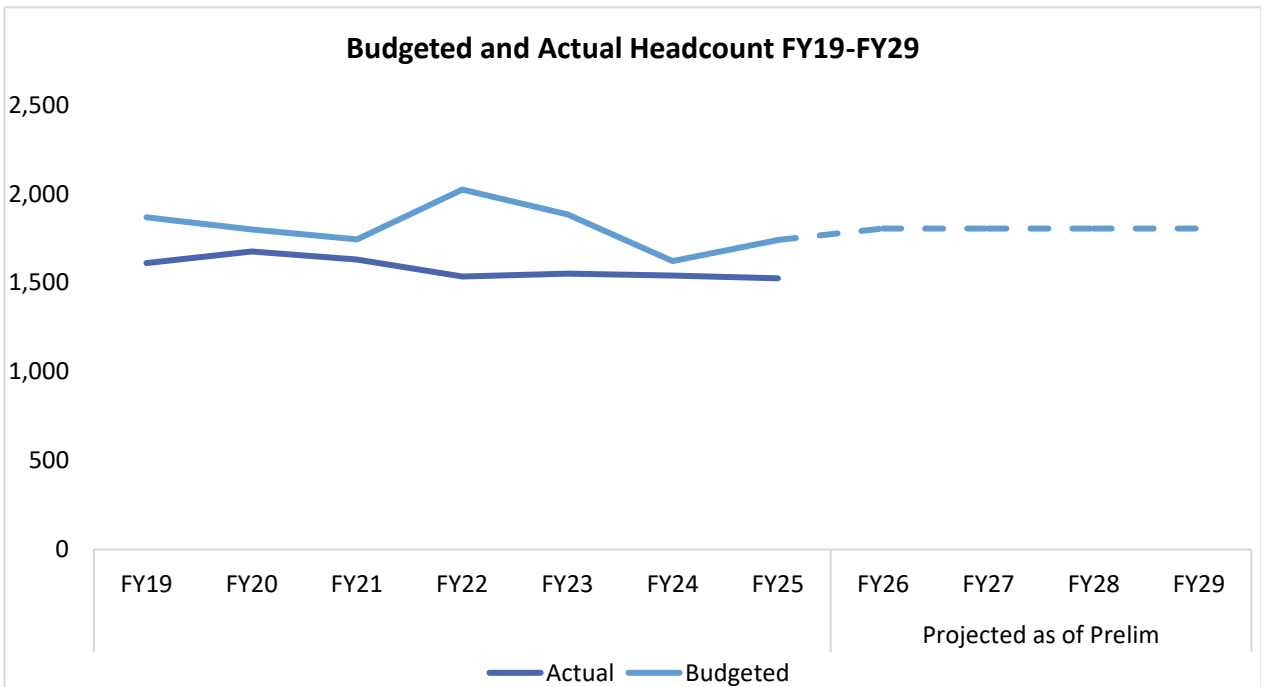


Source: New York City Office of Management and Budget

FY26 Budgeted Headcount:
1,805 full-time positions

Actual Headcount as of January:
1,525

Vacancies as of March: 216



Source: New York City Office of Management and Budget

Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for FY26 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of January 2025.

Preliminary Plan Changes

	FY25 = (\$12.8)	FY26 = \$19.1	FY27 = \$6.3	FY28 = \$7.3	FY29 = \$7.3
New Needs =	\$0.4	\$5.8	\$6.3	\$7.3	\$7.3
Other Adjustments =	(\$13.2)	\$13.4	\$0	\$0	\$0
Savings =	\$0	\$0	\$0	\$0	\$0

Dollars in Millions

FY26 Changes in Preliminary Plan:

Total: \$19.1 million
New Needs: \$5.8 million
Other Adjustments: \$13.4 million

Significant Preliminary Plan Changes

New Needs

- **Basement Legalization.** The Preliminary Plan includes an additional \$203,000 in Fiscal 2025, \$3.1 million in Fiscal 2026, \$3.5 million in Fiscal 2027, and \$4.0 million in Fiscals 2028 and 2029 for basement legalization. This funding will allow for additional staffing to support DOB’s basement legalization code development and intake of additional dwelling unit documents.
- **Development and Enforcement.** The Preliminary Plan includes an additional \$203,000 in Fiscal 2025, \$2.6 million in Fiscal 2026, \$2.8 million in Fiscal 2027, and \$3.3 million in Fiscals 2028 and 2029 for development and enforcement of additional applications related to the City of Yes zoning amendment. This new need will provide funding for additional staffing.

Other Adjustments

- **DOB NOW Rollover.** The Preliminary Plan includes a rollover of \$9.2 million from Fiscal 2025 to Fiscal 2026. DOB is in the process of entering a renewal contract for the remainder of the scope of work. The contract is not expected to be finalized, approved, and registered until mid-2025.
- **Sidewalk Sheds Rollover.** The Preliminary Plan includes a rollover of \$2.0 million from Fiscal 2025 to Fiscal 2026 related to sidewalk sheds. This is as a result of the contracts aimed at creating new pedestrian-protection sheds beginning later than expected due to delays in registration in PASSPort and with the Comptroller.
- **LL97 Studies Rollover.** The Preliminary Plan includes a rollover of \$1.6 million from Fiscal 2025 to Fiscal 2026 for a study on Local Law 97. DOB is working on a contract with the New York State Energy Research and Development Authority (NYSERDA) related to climate studies to support the enforcement of LL97. The memorandum of understanding between DOB and NYSERDA has not been completed. As such, the funding was rolled to next year to match the contract period.

	<ul style="list-style-type: none"> • LL11 Facades Rollover. The Preliminary Plan includes a rollover of \$550,000 from Fiscal 2025 to Fiscal 2026 related to facades inspection. The contract for façade inspection expires in May 2025 and the vendor will not be able to complete the scoped work in time. The remaining spending for the contract is anticipated once the contract is extended.
<p>Preliminary Mayor’s Management Report</p>	<p>The Preliminary Mayor's Management Report (PMMR) for Fiscal 2025 reports on two service areas and two goals for DOB. . The PMMR clearly articulates that average inspection response time for all categories was impacted by ongoing budgetary constraints and reduced staff capacity. Noteworthy metrics that were reported are detailed below.</p> <ul style="list-style-type: none"> • Initial Building Information System Work Permits Issued – The number of initial Building Information System (BIS) permits issued in the first four months of Fiscal 2025 was 262, a decrease of 4,063 compared to the same time period in Fiscal 2024. • Average Days to Complete First Plan Reviews for Major Renovations – The average number of days to complete the first plan review for major renovations increased from 9.9 days in the first four months of Fiscal 2024 to 21.5 days in the first four months of Fiscal 2025. • Average Days between Electrical Inspection Request and Inspection – The average number of days between an electrical inspection request and inspection in the first four months of Fiscal 2025 was 9.4 days, an increase of 5.4 days compared to the first four months of Fiscal 2024.
<p>Budget Issues and Concerns</p>	<p>DOB and OMB should work together to identify the budget actions needed to increase staff capacity. This could be accomplished in a budget-neutral way by enhancing the Department’s focus on maximizing revenue, described further below, such as by issuing larger penalties for negligent owners. Three core areas of operation where additional staffing should be considered are inspections, construction safety, and climate change regulation.</p>

**Budget
Actions in
the
November
and
Preliminary
Plans**

<i>Dollars in Thousands</i>	FY25			FY26		
	City	Non-City	Total	City	Non-City	Total
DOB Budget as of the Adopted FY25 Plan	\$212,411	\$0	\$212,411	\$190,918	\$0	\$190,918
Changes Introduced in the November 2024 Plan						
New Needs						
LL152 Gas and Piping	\$1,540	\$0	\$1,540	\$2,190	\$0	\$2,190
LL97 Attorneys	810	0	810	1,160	0	1,160
LL97 IT Expense	390	0	390	0	0	\$0
Proactive Enforcement	2,839	0	2,839	5,781	0	5,781
Subtotal, New Needs	\$5,579	\$0	\$5,579	\$9,131	\$0	\$9,131
Other Adjustments						
Asylum Seekers City Funding Realignment	\$46	\$0	\$46	\$0	\$0	\$0
Collective bargaining agreement for Electrical Inspectors.	519	0	519	533	0	533
OTPS-EECBG Grant	0	465	465	0	558	558
PS-EECBG Grant	0	104	104	0	125	125
Subtotal, Other Adjustments	\$565	\$569	\$1,134	\$533	\$683	\$1,216
TOTAL, All Changes in November 2024 Plan	\$6,143	\$569	\$6,713	\$9,664	\$683	\$10,348
DOB Budget as of the November 2024 Plan	\$218,554	\$569	\$219,123	\$200,582	\$683	\$201,265
Changes Introduced in the FY26 Preliminary Plan						
New Needs						
Basement Legalization	\$203	\$0	\$203	\$3,137	\$0	\$3,137
Development and Enforcement	203	0	203	2,625	0	2,625
Subtotal, New Needs	\$405	\$0	\$405	\$5,762	\$0	\$5,762
Other Adjustments						
AAHC Cleaning Services	\$0	\$134	\$134	\$0	\$0	\$0
Asylum Seeker Adjustment	30	0	\$30	0	0	\$0
DOBNOW Rollover	(9,200)	0	(\$9,200)	\$9,200	0	\$9,200
LL11 Facades Rollover	(550)	0	(\$550)	550	0	\$550
LL97 Studies Rollover	(1,600)	0	(\$1,600)	1,600	0	\$1,600
Sidewalk Sheds Rollover	(2,000)	0	(\$2,000)	2,000	0	\$2,000
Subtotal, Other Adjustments	(\$13,320)	\$134	(\$13,187)	\$13,350	\$0	\$13,350
TOTAL, All Changes in the FY26 Preliminary Plan	(\$12,915)	\$134	(\$12,782)	\$19,112	\$0	\$19,112
DOB Budget as of the FY26 Preliminary Plan	\$205,639	\$703	\$206,342	\$219,694	\$683	\$220,377

Source: New York City Office of Management and Budget

**Budget by
Units of
Appropriation**

Agencywide Operations <i>Dollars in Thousands</i>						
	2023	2024	2025	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2025	2026	FY26-FY25
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$ 123,110	\$ 94,051	\$ 97,306	\$ 75,306	\$ 79,741	\$ (17,565)
Unsalaries	504	660	992	992	1,004	12
Additional Gross Pay	5,508	7,343	1,373	1,373	1,373	0
Additional Gross Pay - Labor Reserve	1,995	2,595	0	0	0	0
Overtime - Civilian	9,262	3,144	1,492	1,567	1,492	0
P.S. Other	5	(7)	0	0	0	0
Fringe Benefits	98	87	3	3	3	0
Subtotal	\$ 140,484	\$ 107,871	\$ 101,166	\$ 79,242	\$ 83,613	\$ (17,553)
Other Than Personal Services						
Contractual Services	\$ 10,144	\$ 8,802	\$ 8,426	\$ 6,690	\$ 8,134	\$ (292)
Contractual Services - Professional Services	21,812	16,144	20,866	13,329	15,179	(5,687)
Supplies & Materials	3,512	2,210	4,857	4,970	5,385	528
Fixed & Misc. Charges	316	119	0	165	0	0
Property & Equipment	3,975	883	835	624	732	(103)
Other Services & Charges	11,891	11,193	8,480	9,945	7,854	(626)
Subtotal	\$ 51,650	\$ 39,351	\$ 43,464	\$ 35,723	\$ 37,284	\$ (6,179)
TOTAL	\$ 192,134	\$ 147,222	\$ 144,630	\$ 114,965	\$ 120,897	\$ (23,732)
Funding						
City Funds			\$ 144,630	\$ 114,831	\$ 120,897	(23,732)
State			0	134	0	0
TOTAL	\$ 192,134	\$ 147,222	\$ 144,630	\$ 114,965	\$ 120,897	\$ (23,732)
Budgeted Headcount						
Full-Time Positions - Civilian	1,552	1,541	788	794	794	0
TOTAL	1,552	1,541	788	794	794	0

**The difference of Fiscal 2025 Adopted Budget compared to Fiscal 2026 Preliminary Budget.
Source: New York City Office of Management and Budget*

Enforcement and Development <i>Dollars in Thousands</i>						
	2023	2024	2025	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2025	2026	FY26-FY25
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$0	\$ 40,508	\$ 41,133	\$ 69,547	\$ 78,140	\$ 37,007
Additional Gross Pay	0	0	1,770	1,770	1,770	0
Overtime - Civilian	0	1,469	1,500	1,500	1,500	0
Subtotal	\$ -	\$ 41,977	\$ 44,403	\$ 72,817	\$ 81,410	\$ 37,007
Other Than Personal Services						
Contractual Services	\$0	\$0	\$ 1,700	\$,739	\$ 2,550	\$ 850
Contractual Services - Professional Services	0	35	,007	35	0	(5,007)
Supplies & Materials	0	248	1,550	260	0	(1,300)
Property & Equipment	0	0	307	0	722	415
Other Services & Charges	0	854	730	711	730	0
Subtotal	\$0	\$ 1,137	\$ 9,294	\$ 6,744	\$ 4,252	\$ (5,042)
TOTAL	\$0	\$43,114	\$ 53,697	\$ 79,561	\$ 85,662	\$ 31,965
Funding						
City Funds			\$ 53,697	\$ 79,561	\$ 85,662	\$ 31,965
TOTAL	\$0	\$ 43,114	\$ 53,697	\$ 79,561	\$ 85,662	\$ 31,965
Budgeted Headcount						
Full-Time Positions - Civilian	0	0	735	834	898	0
TOTAL	0	0	735	834	898	0

**The difference of Fiscal 2025 Adopted Budget compared to Fiscal 2026 Preliminary Budget.
Source: New York City Office of Management and Budget*

Sustainability						
<i>Dollars in Thousands</i>						
	2023	2024	2025	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2025	2026	FY26-FY25
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$0	\$0	\$ 11,684	\$ 10,550	\$ 10,945	\$ (740)
Unsalaries	0	0	44	44	44	0
Subtotal	\$0	\$0	\$ 11,728	\$ 10,594	\$ 10,989	\$ (740)
Other Than Personal Services						
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services - Professional Services	0	0	1,600	514	2,158	558
Supplies & Materials	0	0	151	102	67	(85)
Other Services & Charges	0	0	605	605	605	0
Subtotal	\$0	\$0	\$ 2,356	\$ 1,221	\$ 2,830	\$ 474
TOTAL	\$0	\$0	\$ 14,085	\$ 11,816	\$ 13,818	\$ (266)
Funding						
City Funds			\$ 14,085	\$ 11,246	\$ 13,135	(949)
Federal - Other			\$ -	\$ 569	\$ 683	683
TOTAL	\$0	\$0	\$ 14,085	\$ 11,816	\$ 13,818	(266)
Budgeted Headcount						
Full-Time Positions - Civilian	0	0	120	113	113	0
TOTAL	0	0	120	113	113	0

**The difference of Fiscal 2025 Adopted Budget compared to Fiscal 2026 Preliminary Budget.*

Source: New York City Office of Management and Budget

Miscellaneous Revenue

- The Preliminary Plan includes approximately \$347.6 million of DOB miscellaneous revenue in Fiscal 2026, \$124.4 million greater than the Fiscal 2025 budget at Adoption.
- The increase is attributable to an additional \$76.9 million of revenue anticipated from construction permits, which are budgeted at \$105.7 million in Fiscal 2025 at Adoption that increases to \$182.6 million in the Fiscal 2026 Preliminary Plan. Construction permits are the Department’s largest revenue source.
- DOB reports that the major development fees, introduced around two years ago, had been expected to decrease slightly as the universe of relevant buildings decreased after an initial wave of revenue. Late filing/no permit penalties are scheduled to decrease due to Local Law 50 of 2022 eliminating certain violations for one- and two-family homes and changing criteria for mandated re-inspections.

Revenue Sources (\$ in Thousands)	FY23 Actual	FY24 Actual	FY25 Adopted	Preliminary Plan		*Difference FY26-FY25
				FY25	FY26	
FINES						
LATE FILING/NO PERMIT PENALTY	\$73,081	\$114,970	\$69,332	\$79,500	\$78,500	\$9,168
Subtotal	\$73,081	\$114,970	\$69,332	\$79,500	\$78,500	\$9,168
GENERAL GOVERNMENTAL CHARGES						
MAJOR DEVELOPMENT FEES	\$2,400	\$2,200	\$2,300	\$3,470	\$3,470	\$1,170
UNSAFE BUILDING FEES	27	25	9	45	45	36
LOFT BOARD FEES	1,717	1,663	1,548	745	745	(803)
REINSPECTION FEES	817	736	637	1,000	1,000	363
MICROFILM FEES	11,030	9,086	5,068	12,000	12,000	6,932
ELECTRICAL INSPECTION FEES	9,951	9,886	5,774	10,000	10,000	4,226
ELEVATOR INSPECTION FEES	1,153	706	376	300	300	(76)
BUILDING INSPECTION FEES	19,120	20,103	11,728	16,705	17,355	5,627
SCAFFOLD NOTIFICATION FEES	252	270	138	375	375	237
Subtotal	\$46,467	\$44,675	\$27,576	\$44,640	\$45,290	\$17,714
LICENSES						
LICENSES FOR TRADESMEN	\$3,726	\$3,401	\$2,857	\$3,133	\$3,133	\$276
Subtotal	\$3,726	\$3,401	\$2,857	\$3,133	\$3,133	\$276
PERMITS						
SUSTAINABILITY FILING FEES	\$0	\$0	\$9	\$5,200	\$5,160	\$5,151
BUILDING PERMITS	29,513	27,947	15,780	30,000	30,000	14,220
CONSTRUCTION PERMITS	161,604	158,701	105,679	182,623	182,623	76,944
ILLUMINATED SIGNS	5,068	4,150	1,967	2,936	2,936	969
Subtotal	\$196,185	\$190,798	\$123,435	\$220,759	\$220,719	\$97,284
TOTAL	\$319,459	\$353,845	\$223,201	\$348,032	\$347,642	\$124,441

*The difference of Fiscal 2026 Preliminary Budget compared to Fiscal 2025 Adopted Budget.
Source: New York City Office of Management and Budget