

The Council of the City of New York

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Report on the Fiscal Year 2015 Executive Budget for the

Department of Buildings

May 21, 2014

Executive Budget Highlights

- The Fiscal 2015 Executive Budget of the Department of Buildings (DOB or the Department) is \$107.25 million, which is \$33,000 less than the Fiscal 2014 Adopted Budget of \$107.29 million.

New Needs and Other Adjustments

○ New Needs

- **Build it Back Program.** \$3.97 million in federal funds in Fiscal 2015 for costs related to plan review and inspections for the City's Build it Back Program, including new staffing, the purchase of vehicles and the renovation of a new workspace.
- **Development Inspection Hub.** \$2 million in City funds in Fiscal 2015 towards the cost of additional staffing due to the increased volume of online filings for plan reviews and inspections.
- **DOB Service Delivery.** \$800,000 in City funds in Fiscal 2015 towards personal service costs in order to improve enforcement and development service delivery.
- **Vehicle Replacement.** \$1 million in City funds in Fiscal 2015 for the purchase of vehicles for work related to the Build it Back program.

○ Other Adjustments

- **Heat, Light and Power.** \$32,000 in City funds in Fiscal 2014 and \$27,000 in City funds in Fiscal 2015.
- **Lease Adjustment.** \$105,000 in City funds in Fiscal 2015.
- **NYC Cool Roofs.** \$188,000 in City funds rolled over into Fiscal 2015 which will be used to promote and facilitate the cooling of the City's rooftops by applying a reflective surface to roofs.

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. DOB 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 DOB to ensure that the resulting property structure complies with all applicable laws.

This report provides an overview of DOB's Fiscal 2015 Budget and a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Revenue trends. Appendices 1-2 report the changes made to the Fiscal 2014 and Fiscal 2015 Budget since adoption of the Fiscal 2014 Budget. For a Fiscal 2015 revenue budget summary, see Appendix 3. For additional information on the Department's Budget and its various programs, please refer to the "Fiscal 2015 Preliminary Report" available at the Council's website.

DOB Financial Summary

<i>Dollars in Thousands</i>	FY12 Actual	FY13 Actual	FY14 Adopted	FY14 as of FY15 Exec. Budget	FY15 Exec. Budget	*Change FY14 - FY15
Budget by Program Area						
Personal Services	\$76,546	\$78,376	\$84,632	\$84,966	\$86,264	\$1,632
Other Than Personal Services	18,500	24,105	22,655	22,644	20,989	(1,666)
TOTAL	\$95,046	\$102,482	\$107,287	\$107,610	\$107,253	(\$33)
Funding						
City Funds	\$0	\$0	\$103,587	\$103,839	\$103,283	(\$304)
Other Categorical	0	0	0	0	0	0
Capital- IFA	0	0	0	0	0	0
State	0	0	0	0	0	0
Federal - Community Development	0	0	0	0	0	0
Federal - Other	0	0	3,700	3,700	3,970	270
Intra City	0	0	0	71	0	0
TOTAL	\$95,046	\$102,482	\$107,287	\$107,610	\$107,253	(\$34)
Positions						
Full-Time Positions - Civilian	1,050	1,106	1,128	1,141	1,168	40
TOTAL	1,050	1,106	1,128	1,141	1,168	40

*Change from Fiscal 2014 Adopted to Fiscal 2015 Executive Budget.

New in the Executive Budget

DOB's Fiscal 2015 Executive Budget is \$107.3 million, which is \$33,000 less than the Fiscal 2014 Adopted Budget. The Department's funding sources in this plan consist of \$103.3 million in City tax levy funds and about \$4 million in federal grants from administering the Build it Back Program. Budget actions—composed of the New Needs, and Other Adjustments in the November 2013, February 2014 and the May 2014 Plans—added \$323,000 to the Department's

Fiscal 2014 Budget and \$7.8 million to the Departments Fiscal 2015 budget. These budget actions are highlighted below and detailed in Appendix 2.

New Needs

Build it Back Program. The Department is adding \$3.97 million in Fiscal 2015 for costs related to plan review and inspections for the City's Build it Back Program. The Department is budgeting 44 positions for Build it Back work, including 15 plan examiners, 15 inspectors, 6 plumbers, 6 administrative staff, and 2 directors in Fiscal 2015 at a total cost of \$2.9 million. The Department is allocating \$225,000 for the purchase of vehicles and \$145,000 in overtime costs related to this work. Additionally, DOB will be merging Build it Back staffing with NYC Development Hub staffing at 80 Centre Street, and will be renovating the space with workstations, cabling and phones at a total cost of \$690,000 in Fiscal 2015.

Development Inspection Hub. The Department received \$2 million in Fiscal 2015 to help cover the cost of additional staffing due to the increased volume of online filings. Today, all electronic filings (eFiling) at DOB are coordinated through the online Development Hub's services, where applications can be reviewed and approved by multiple City agencies. Hub Self-Service enables New York State-licensed architects and engineers to certify plans for small construction projects (Alterations Type 2 and 3) online. In 2014, the Department launched Hub Inspection Ready, an online scheduling system for virtually all inspections.

Vehicle Replacement. The Executive plan includes an adjustment of \$1 million in Fiscal 2015 for the purchase of vehicles for work related to the Build it Back program. DOB reviews and approves permit applications for Sandy-impacted households applying for rebuilding funding.

Heat, Light and Power. The Department is allocating \$32,000 in City funds in Fiscal 2014 and \$27,000 in City funds in Fiscal 2015 for expenses related to heat, light and power. This line item is baselined by OMB based on their projections.

Lease Adjustment. The Department is allocating \$105,000 in City funds in Fiscal 2015 for expenses related to their lease. OMB baselines adjustments to leases directly based on their projections.

NYC Cool Roofs. DOB had \$188,000 in cost savings in Fiscal 2014 for the Cool Roofs Program, which is collaboration between NYC Service and DOB to promote and facilitate the cooling of the City's rooftops by applying a reflective surface to roofs to help reduce cooling costs, cut energy usage and lower greenhouse gas emissions. Accordingly, DOB will rollover \$188,000 to Fiscal 2015 in order to utilize these cost savings.

Appendix 1: Budget Actions in the Executive Plan

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DOB Preliminary Fiscal 2015 Budget	\$103,995	\$3,771	\$107,766	\$99,163	\$0	\$99,163
Program to Eliminate the Gap (PEGs)						
None	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal PEGs	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
Build it Back Program	\$0	\$0	\$0	\$0	\$3,970	\$3,970
Development Inspection Hub	0	0	0	2,000	0	2,000
Service Delivery	0	0	0	800	0	800
Vehicle Replacement	0	0	0	1,000	0	1,000
Subtotal New Needs	\$0	\$0	\$0	\$3,800	\$3,970	\$7,770
Other Adjustments						
Heat, Light and Power	\$32	\$0	32	\$27	\$0	27
Lease Adjustment	0	0	0	105	0	105
NYC Cool Roofs	(188)	0	(188)	188	0	188
Subtotal Other Adjustments	(\$156)	\$0	(\$156)	\$320	\$0	\$320
Total All Changes	(\$156)	\$0	(\$156)	\$4,120	\$3,970	\$8,090
DOB Executive Fiscal 2015 Budget	\$103,839	\$3,771	\$107,610	\$103,283	\$3,970	\$107,253

Appendix 2: Budget Actions in the November, Preliminary & Executive Plans

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DOB Adopted Fiscal 2014 Budget	\$103,587	\$3,700	\$107,287	\$99,486	\$0	\$99,486
Program to Eliminate the Gap (PEGs)						
None	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal PEGs	\$0	\$0	\$0	\$0	\$0	\$0
New Needs						
Build it Back Program	\$689	\$0	\$689	\$0	\$0	\$0
CITIServ-DOB Transfer	(323)	0	(323)	(323)	0	(323)
NEG-SBS/DOB Sandy Expenses	0	71	0	0	0	0
NYC Service Program Cool Roofs	42	0	0	0	0	0
Build it Back Program	\$0	\$0	\$0	\$0	\$3,970	\$3,970
Development Inspection Hub	0	0	0	2,000	0	2,000
Service Delivery	0	0	0	800	0	800
Vehicle Replacement	0	0	0	1,000	0	1,000
Subtotal New Needs	\$408	\$71	\$366	\$3,477	\$3,970	\$7,447
Other Adjustments						
Heat, Light and Power	\$32	\$0	32	\$27	\$0	27
Lease Adjustment	0	0	0	105	0	105
NYC Cool Roofs	(188)	0	(188)	188	0	188
Subtotal Other Adjustments	(\$156)	\$0	(\$156)	\$320	\$0	\$320
Total All Changes	\$252	\$71	\$323	\$3,797	\$3,970	\$7,767
DOB Executive Fiscal 2015 Budget	\$103,839	\$3,771	\$107,610	\$103,283	\$3,970	\$107,253

Appendix 3: Revenue Summary

Agency Revenue Sources <i>In Thousands</i>	FY14 Adopted Budget	FY14 as of FY15 Exec. Budget	FY15 Executive Budget
Charges for Services	\$117,208	\$125,627	\$117,705
Miscellaneous	32,568	34,578	32,956
Federal Grants - Categorical	22,689	36,000	22,689
State Grants - Categorical	3,700	3,700	0
Non-Governmental Grants	0	0	0
TOTAL	\$176,165	\$199,905	\$173,350