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Report on the Fiscal 2025 Preliminary Plan
and the Fiscal 2024 Preliminary Mayor's
Management Report for the

Department of Buildings

March 11, 2024

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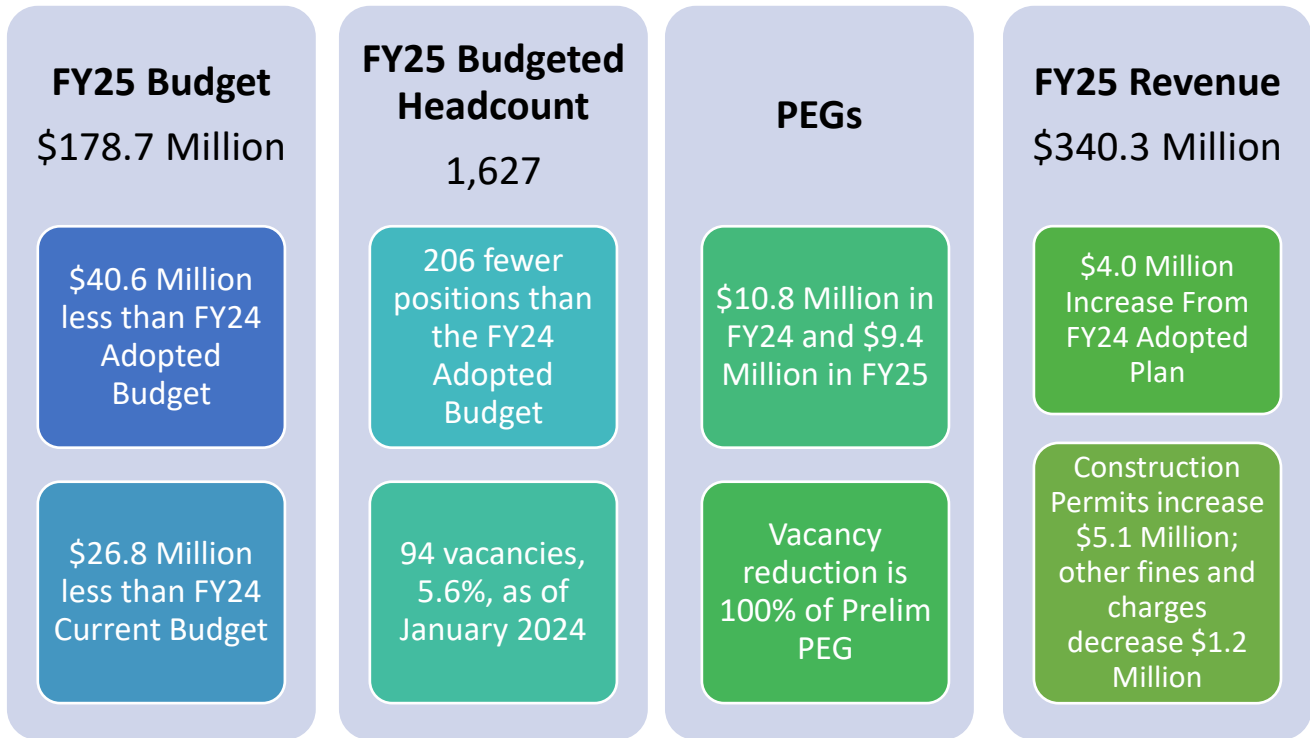
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Department of Buildings (DOB) Overview

The New York City Department of Buildings (DOB, the Department) aims to “strike the right balance between safety and development” by serving as the primary regulator of the construction and real estate industries in the City.¹ DOB enforces the City’s construction codes, zoning resolutions, and the New York State Multiple Dwelling Law to protect workers and the public, including across the City’s nearly 1.1 million buildings and over 43,900 active construction sites, through its review and approval of building plans, permitting and licensing functions, and inspections.

DOB Fiscal 2025 Budget Snapshot



DOB Financial Plan Overview

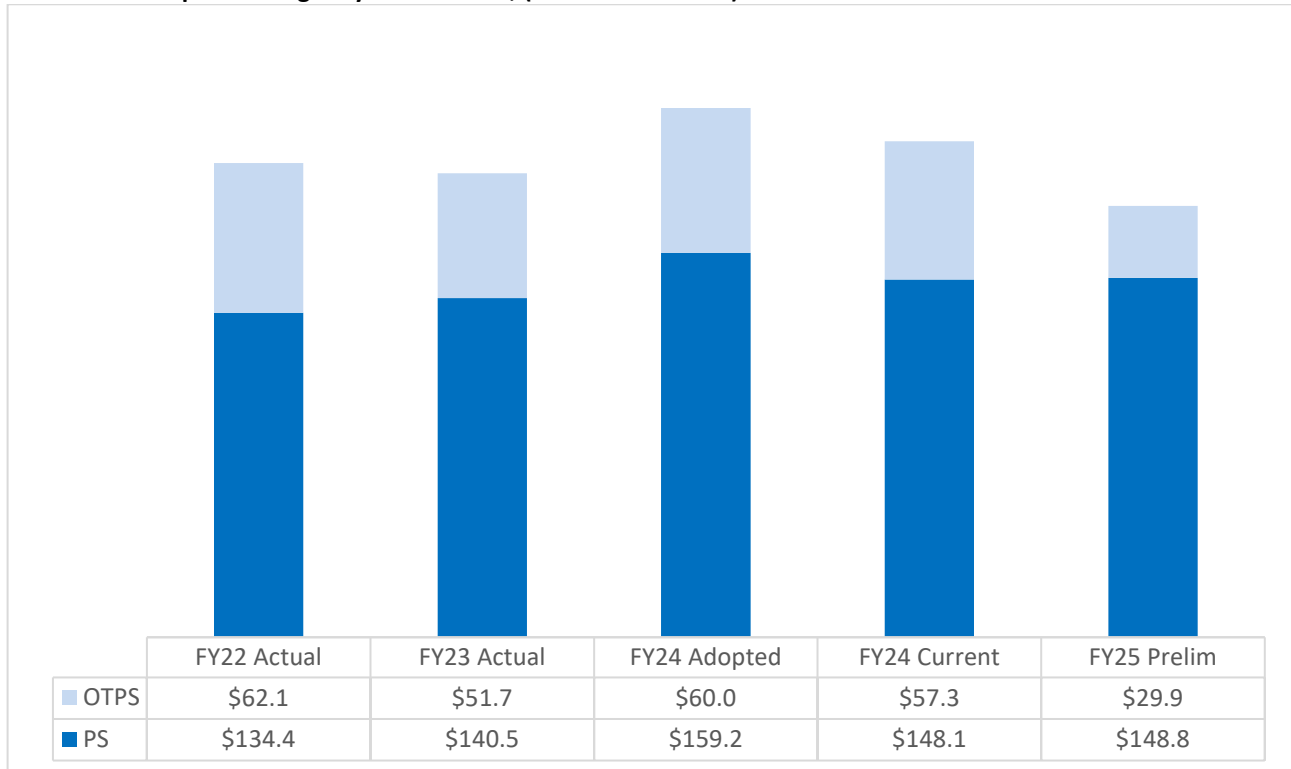
DOB’s Fiscal 2024–2028 Preliminary Financial Plan (Preliminary Plan) includes a budget of \$178.7 million in Fiscal 2025, which represents less than one percent of the City’s \$109.4 billion Fiscal 2025 budget. DOB’s Fiscal 2025 Budget includes \$148.8 million for Personal Services (PS) to support 1,627 full-time positions. The agency’s Other Than Personal Services (OTPS) funding totals \$29.9 million and includes \$16.7 million for contractual services. Chart 1 presents the breakdown of PS and OTPS spending. DOB has no capital budget.

The Fiscal 2025 Preliminary Budget stays the course on DOB’s current trajectory, with no new investments and continued savings from the elimination of vacant positions. This multi-year cutting exercise has dramatically lowered DOB’s vacancy rate, but as a result there is little room to hire new inspectors in specialties like electrical or boiler enforcement – key to achieving Departmental and City goals on safety and sustainability. DOB should consider providing additional resources, training, outreach, and enforcement initiatives in advance of the Executive Budget. DOB’s revenue-generating

¹ NYC Department of Buildings, “Welcome to DOB,” available online at: <https://www.nyc.gov/site/buildings/dob/dob.page>.

role, expected to provide \$340.3 million of revenue in Fiscal 2025, also merits close attention, as an important tool for disincentivizing negligent or unsafe behavior while supporting other City spending.

Chart 1: DOB Expense Budget by PS and OTPS, (Dollars in Millions)

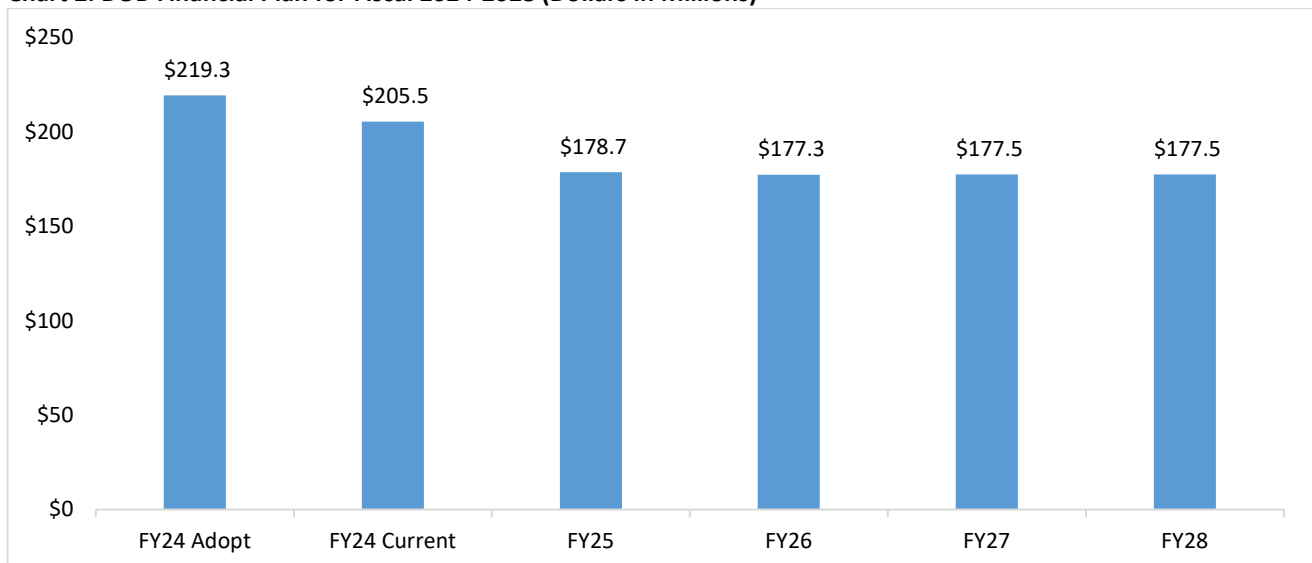


Source: New York City Office of Management and Budget

DOB Financial Summary

The Preliminary Plan includes a \$205.5 million budget for DOB in Fiscal 2024, decreasing to \$177.5 million by the end of the Plan period. Except for changes made between the Fiscal 2024 and 2025 budgets, the Plan contains no major changes in the outyears for DOB. The Fiscal 2024 budget was \$219.3 million at adoption.

Chart 2: DOB Financial Plan for Fiscal 2024-2028 (Dollars in Millions)



Source: New York City Office of Management and Budget

The Preliminary Plan includes a Program to Eliminate the Gap (PEG) of \$9.4 million in Fiscal 2025 due to a reduction in vacant headcount, discussed in more detail later in this report. Unlike some other agencies, DOB does not have a budgetary issue due to the lapse of federal COVID-19 funding as there are no DOB programs funded with American Rescue Plan (ARP) funds.² The majority of DOB COVID-19 spending was in Fiscal 2022, when DOB had \$25.0 million in ARP expenditures to support the City's operational response to the pandemic.

Following the creation of a new Unit of Appropriation (U/A) pair in the Fiscal 2024 Adopted Budget, DOB's budget is currently divided into three sets of U/As. However, the Department still requires additional budgetary realignment: for example, although the vacancy reduction PEG will impact inspector headcount, the necessary reduction in Enforcement and Development is not yet aligned; instead, the PS holding code in Agency-wide Operations receives the entire cut. DOB should realign the U/A budget in the Executive Plan and has expressed its intention to do so.

Agency-wide operations is the largest U/A pair (\$125.2 million), accounting for 70.1 percent of the \$178.7 million Fiscal 2025 budget, followed by enforcement and development (\$45.0 million), accounting for 25.2 percent of the total budget. Funding for the new sustainability U/A pair is \$8.5 million, or 4.7 percent of the agency budget.

The lack of growth in the budgets for key DOB programs raises questions over the ability of the Department to perform adequate safety inspections, maximize revenue from illegal construction and other penalty-generating violations, and ensure compliance with Local Law 97 of 2019, a critical component of the larger Climate Mobilization Act, which is the responsibility of the small Sustainability Bureau.

DOB's budget is almost entirely funded with City funds (99.9 percent), which makes the Department operations more susceptible to the Administration's two five percent PEGs in the November and Preliminary Plans.

Table 1: DOB Financial Summary

<i>Dollars in Thousands</i>	FY22	FY23	FY24	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25-FY24
Budget by U/A Pair						
Agency-wide Operations	\$196,424	\$192,134	\$174,448	\$160,668	\$125,229	(\$49,218)
Enforcement and Development	0	0	44,784	44,784	44,984	200
Sustainability	0	0	0	0	8,469	8,469
TOTAL	\$196,424	\$192,134	\$219,231	\$205,452	\$178,682	(\$40,550)
Funding						
City Funds			\$219,231	\$204,290	\$178,492	(\$40,740)
Intra City			0	903	0	0
State			0	259	190	190
TOTAL	\$196,424	\$192,134	\$219,231	\$205,452	\$178,682	(\$40,550)
Budgeted Headcount						
Full-Time Positions - Civilian	1,535	1,552	1,833	1,647	1,627	(206)
Full-Time Equivalent Positions	26	28	28	30	30	2
TOTAL	1,561	1,580	1,861	1,677	1,657	(204)

**The difference of Fiscal 2024 Adopted Budget compared to Fiscal 2025 Preliminary Budget.*

Source: New York City Office of Management and Budget

² New York City Independent Budget Office, Federal Covid Relief Spending – HPD, accessed February 14, 2024, available online at: <https://ibo.nyc.ny.us/FedStim/stimulus-tracking-hpd.html>.

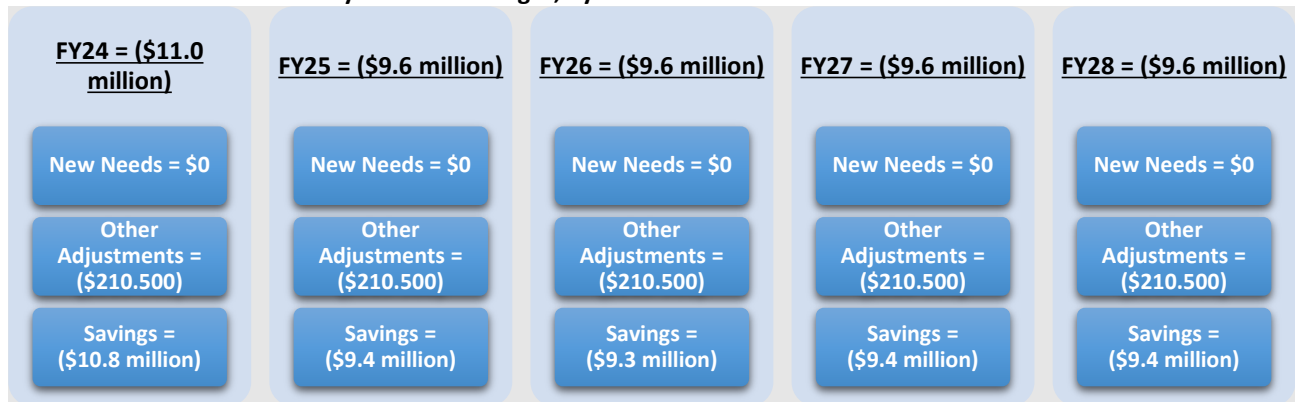
While the November Plan for Fiscal 2025 included \$6.9 million in Other Adjustments (mainly reflecting the costs of reaching collective bargaining agreements with unions representing workers at DOB), it also included a \$9.5 million PEG from the elimination of vacancies, resulting in a \$2.6 million net reduction to the agency’s budget. The November Plan also included PS savings (\$3.3 million) and OTPS savings (\$2.7 million) in Fiscal 2024, although none were in the baseline. These actions, plus the Preliminary Plan PEGs and lack of new needs, explain why the Department’s Fiscal 2024 budget decreases in the Preliminary Plan, from \$219.2 million at adoption to \$205.5 million currently. DOB’s Fiscal 2025 budget declined by \$26.8 million to \$178.7 million in Fiscal 2025.

Fiscal 2025 Preliminary Budget Changes

Budget actions in the Preliminary Plan decrease DOB’s budget by \$11.0 million in Fiscal 2024 and \$9.6 million in Fiscal 2025 when compared to the November Plan. There were no new needs, while other adjustments reduced the budget by \$210,500 in Fiscal 2024 and in the outyears. PEGs reduced the budget by \$10.8 million in Fiscal 2024, \$9.4 million in Fiscal 2025, \$9.3 million in Fiscal 2026, and \$9.4 million in Fiscals 2027 and 2028.

Chart 3 provides a summary of DOB’s spending changes from the November Financial Plan to the Preliminary Financial Plan, while Table 2 summarizes the PEG program across those two most recent plans.

Chart 3: Fiscal 2025 Preliminary Plan Net Changes, by Fiscal Year*



*Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings. As some agency PEGs may be revenue actions or savings from non-City sources, this number will not necessarily equal the agency’s PEG value.

Table 2 presents the sum of the PEGs for each year of the Financial Plan as presented in the November and Preliminary Plans.

Table 2: DOB Total Program to Eliminate the Gap (PEG)

Dollars in Thousands	FY24	FY25	FY26	FY27	FY28
November Plan	(\$11,018)	(\$9,546)	(\$9,399)	(\$9,399)	(\$9,399)
Preliminary Plan	(10,757)	(9,405)	(9,342)	(9,353)	(9,353)
TOTAL PEGs	(\$21,775)	(\$18,951)	(\$18,741)	(\$18,752)	(\$18,752)

Source: New York City Office of Management and Budget

New Needs

- None

Other Adjustments

- Collective Bargaining Adjustment.** The Preliminary Plan includes only one other adjustment, for the costs of collective bargaining for the Allied Building Inspectors, International Union of Operating Engineers (IUOE) Local 211. This adjustment removes \$210,500 in Fiscal 2024 and in each year of the Plan period. This change is on top of the additions in the November Plan for contract settlements: \$5.0 million in Fiscal 2024, \$4.8 million in Fiscal 2025, and \$5.7 million in Fiscal 2026 and in the outyears.

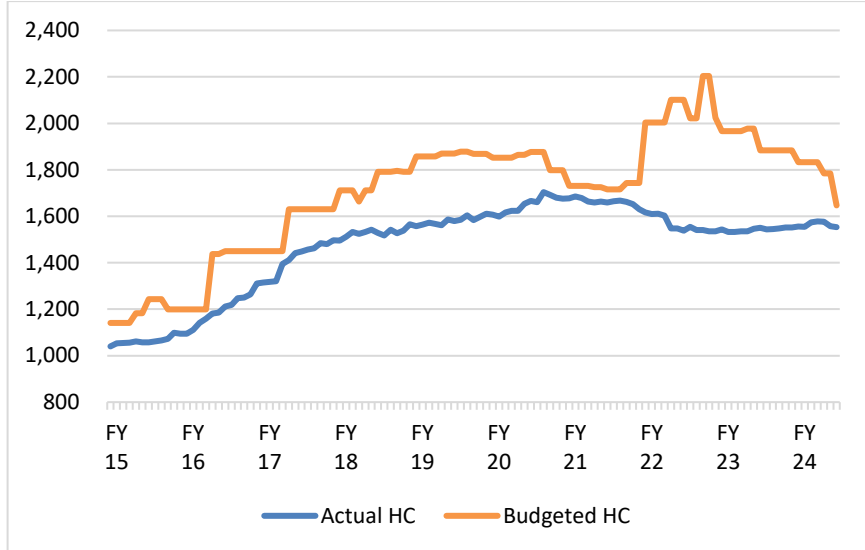
Savings/Program to Eliminate the Gap (PEG)

- Vacancy Reduction.** The Preliminary Plan continues a series of PS reductions in DOB’s budget since the Administration’s inauguration. The Preliminary Plan vacancy reduction eliminates 137 positions in Fiscal 2024 and 90 positions in Fiscal 2025 and in the outyears. DOB has confirmed that it eliminated inspectorial vacancies in order to achieve its PEG target. This runs counter to the Administration’s commitment to spare positions associated with public safety from the hiring freeze as not prohibited agencies from substantially cutting their capacity to ensure public safety.³ These changes reduce budgeted inspector headcount to 544 positions, with 529 of them currently filled, for a three percent vacancy rate.

Headcount

Chart 4 compares DOB’s actual versus budgeted agency-wide headcount from Fiscal 2015 to Fiscal 2024. Headcount and vacancy concerns have been raised consistently as the Administration’s workforce policies and the lingering impacts of the Covid-19 pandemic continue to reverberate on the City’s labor market. This is particularly concerning with respect to DOB in relation to the Department’s revenue-generating inspector positions.

Chart 4: DOB Headcount by Month, Actual vs. Budgeted, FY15 (July) – FY24 (Jan)



Source: New York City Office of Management and Budget

³ Jeff Coltin and Joe Anuta, POLITICO, “Citing NYC migrant crisis, Adams calls for steep budget cuts, hiring freeze,” September 9, 2023, available online at: <https://www.politico.com/news/2023/09/09/nyc-eric-adams-migrant-crisis-00114879>

As of January 2024, DOB had an actual full-time headcount of 1,553 and a budgeted headcount of 1,647 for an overall vacancy rate of 5.7 percent (94 vacant positions). A year prior, in January 2023, DOB had a full-time headcount of 1,550 and a budgeted headcount of 1,884 for an overall vacancy rate of 17.7 percent (334 vacant positions). In January 2022, DOB had an actual headcount of 1,538 and a budgeted headcount of 2,102 for an overall vacancy rate of 26.8 percent (564 vacant positions). This 83 percent decrease in vacancies between January 2022 and January 2024 is the result of the elimination of vacant positions rather than hiring exceeding separations from the agency. This is in contrast to HPD’s upsurge in hiring (and not vacancy reduction), largely because HPD inspectors are federally funded while DOB positions are City funded and liable to be included in the City’s PEG.

Inspections. Table 3 shows the Department’s inspector headcount, broken out by category. The extremely low vacancy rate across all types of inspector titles means that although inspectors were technically exempt from the PEG, there was little ability for DOB to increase the number of inspectors because the budgeted headcount has been reached. For example, as of February 2024 there were no vacancies among the electrical enforcement inspector title. In a concerning signal, the PMMR reports that the average wait time for electrical inspections increased from three to four days in the first four months of Fiscals 2023 and 2024 respectively.

Table 3: DOB Inspector Headcount by Category

Inspector Bureau	Category	Budgeted Headcount	Actual Headcount	Vacant Positions	Vacancy Rate
Enforcement	Boilers	21	21	0	0%
	Construction	351	340	11	3%
	Cranes & Derricks	9	8	1	11%
	Electrical	48	48	0	0%
	Elevator	33	31	2	6%
	Investigations	27	26	1	4%
	Plumbing	55	55	0	0%
Total		544	529	15	3%

Source: Department of Buildings, data as of February 16, 2024

Vacancy reductions implemented by the Administration have impacted divisions, core to DOB’s role of preserving public safety in the City’s buildings and worksites. According to DOB, out of a total of 207 vacant positions eliminated between the November and Preliminary Plans, 18 positions were taken from the Construction Safety division (with 11 from the Construction Safety Enforcement unit and 7 from the Construction Safety Compliance unit).

Sustainability. In the Sustainability Bureau, there are currently 66 budgeted and 62 active positions, spread out over five units. DOB staff across multiple units administer Local Law 97, the keystone of the Climate Mobilization Act that enforces certain limits on emissions from buildings. The largest is energy and code compliance, with 44 budgeted positions. Other units cover policy/legal, outreach, and building efficiency, as well as the Office of the Deputy Commissioner for Sustainability. The Preliminary Plan, which breaks out a separate Unit of Appropriation pair for Sustainability next year, reflects a total of 84 budgeted positions in Fiscal 2025.

However, only 11 DOB staffers are responsible for conducting compliance reviews in the over 50,000 buildings covered by the law, underscoring a potential lack of commitment towards its

implementation.⁴ Seven unfilled enforcement positions remain to be filled.⁵ It would be difficult to claim the Administration is moving too quickly on staffing the Sustainability Bureau for implementation of LL 97. The limited headcount caps the Department's ability to engage property owners, assist them with making the transition, and evaluate thousands of complex reports. As such, the Administration should reconsider sustainability staffing in advance of the Executive Plan.

DOB Contract Budget

The City's Contract Budget includes all projected expenditures for personal service, technical or consulting contracts. The Contract Budget is a subset of the OTPS portion of the City's Expense Budget. Table 4 compares DOB's Fiscal 2024 Adopted Contract Budget with its Fiscal 2025 Preliminary Contract Budget.

Table 4: DOB FY25 Preliminary Contract Budget

<i>Dollars in Thousands</i>				
Category	FY24 Adopted	Number of Contracts	FY25 Preliminary	Number of Contracts
Contractual Services - General	\$20,296	4	\$7,728	4
Data Processing Equipment	893	1	393	1
Prof. Services - Computer Services	6,124	2	2,254	2
Office Equipment Maintenance	22	1	44	1
Prof. Services - Engineer & Architect	5,296	1	700	1
Prof. Services - Other	7,993	7	2,083	7
Security Services	600	1	600	1
Temporary Services	2,050	2	2,260	2
Training Program for City Employees	676	1	676	1
TOTAL	\$43,950	20	\$16,739	20

Source: New York City Office of Management and Budget

The agency's contract budget decreases from \$44.0 million at Fiscal 2024 Budget Adoption to \$16.7 million in the Fiscal 2025 Preliminary Budget. The decreases are biggest in general contractual services, decreasing from \$20.3 million to \$7.7 million, and professional services, including computer services, "other," and engineering and architectural services – which decline from \$19.4 million to \$5.0 million. This difference between the Department's contract budget at adoption and preliminary was similarly the case in Fiscal 2024. Nevertheless, DOB should continue to closely monitor its contract budget to ensure the agency may readily retain the necessary external expertise to advance the important goal of safety.

DOB Miscellaneous Revenue

The Preliminary Plan includes approximately \$340.3 million of DOB miscellaneous revenue in Fiscal 2025, \$4.0 million greater than the Fiscal 2024 budget at Adoption. The increase is attributable to an additional \$5.1 million of revenue from construction permits, which are budgeted at \$182.6 million in Fiscal 2025. Construction permits are the Department's largest revenue source. Revenue from major development fees is budgeted at \$3.5 million in Fiscal 2025, \$972,000 less than in Fiscal 2024

⁴ Rosemary Misday, Gothamist, "50K NYC buildings need climate law compliance reviews. 11 DOB staffers have to do it." February 4, 2024, available online at: <https://gothamist.com/news/50k-nyc-buildings-need-climate-law-compliance-reviews-11-dob-staffers-have-to-do-it>.

⁵ Mariana Simões, City Limits, "Local Law 97's 'Mediated Resolution' Clause Gives Too Much Leeway for Exemptions, Lawyers Say," February 27, 2024, available online at: <https://citylimits.org/2024/02/27/local-law-97s-mediated-resolution-clause-gives-too-much-leeway-for-exemptions-lawyers-say/>.

at adoption, while revenue from late filing/no permit penalties is budgeted at \$79.5 million, \$200,000 less than in Fiscal 2024 at adoption. 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.

Table 5: DOB Miscellaneous Revenue Budget Overview

<i>Dollars in Thousands</i>				
Revenue Sources	FY24 Adopted	Preliminary Plan		*Difference FY25-FY24
		FY24	FY25	
Licenses, Permits & Franchises				
Building Permits	\$30,000	\$30,000	\$30,000	\$0
Construction Permits	177,500	177,500	182,623	5,123
Illuminated Signs	2,936	2,936	2,936	0
Licenses for Tradesmen	2,140	2,140	2,140	0
Subtotal	\$212,576	\$212,576	\$217,699	\$5,123
Charges for Service				0
Building Inspection Fees	\$15,165	\$15,165	\$15,165	\$0
Electrical Inspection Fees	10,000	10,000	10,000	0
Elevator Inspection Fees	300	300	300	0
Loft Board Fees	745	745	745	0
Major Development Fees	4,442	4,442	3,470	(972)
Microfilm Fees	12,000	12,000	12,000	0
Re-inspection Fees	1,000	1,000	1,000	0
Scaffold Notification Fees	375	375	375	0
Unsafe Building Fees	45	45	45	0
Subtotal	\$44,072	\$44,072	\$43,100	(\$972)
Fines and Forfeitures				0
Late Filing/No Permit Penalties	\$79,700	\$79,700	\$79,500	(\$200)
Subtotal	\$79,700	\$79,700	\$79,500	(\$200)
TOTAL	\$336,348	\$336,348	\$340,299	\$3,951

**The difference of Fiscal 2024 Adopted Budget compared to Fiscal 2025 Preliminary Budget. Totals exclude intra-City funding, State grants, and categorical contracts.
Source: New York City Office of Management and Budget*

Fiscal 2024 Preliminary Mayor’s Management Report

- Inspections and Violations.** DOB completed slightly more inspections in the first four months of Fiscal 2024 (141,964) than in the same period in Fiscal 2023 (138,980). While development inspections completed rose 9.5 percent (from 64,208 to 70,304) during that period, enforcement inspections fell 4.3 percent (from 74,772 to 71,660). DOB also issued fewer violations, decreasing from 7,802 in the first four months of Fiscal 2023 to 5,897 in the first four months of Fiscal 2024. However, more violations have been upheld at the Office of Administrative Trials and Hearings (OATH), rising 7.3 percent to 82.9 percent.
- Slower Inspections for Electrical, Plumbing, Construction.** The average wait time for a construction inspection increased to 3.0 days in the first four months of Fiscal 2024, up from 1.2 days in the same period in Fiscal 2023. Average wait times for plumbing inspections increased to 2.6 days from 2.2 days, and electrical inspections increased to 4.0 days from 3.0 days. DOB shares that “Average inspection response time in all categories was impacted by ongoing budgetary

constraints and reduced staff capacity.”⁶ Unfortunately, the Preliminary Plan reduced staff capacity further, by removing from the budget 90 unfilled positions in Fiscal 2025.

- **Construction Plans.** DOB generally took longer to conduct construction plan first reviews and move from filing to approval, however some indicators improved. For example, average days to complete first plan review for new buildings on the DOB NOW platform dipped from 6.9 days in the first four months of Fiscal 2023 to 5.8 days in Fiscal 2024, while for major buildings, the average decreased from 5.6 days to 5.0 days.
- **Audits of Licensed Professionals’ Certifications.** There were 114,779 jobs professionally certified by a licensed professional (e.g. architect or engineer) in Fiscal 2023 (40,445 in the first four months of that year). In the first four months of Fiscal 2024, that number decreased eight percent to 37,224. Over the same period, the number audited (pre-approval) rose 18 percent from 1,459 to 1,719. The City relies on licensed professionals to ensure the safety of construction sites. The importance of having appropriate professional certification was unfortunately demonstrated by the collapse of 1915 Billingsley Terrace in the Bronx in December 2023. Last month the engineer responsible for inspecting the building’s structural elements entered into an agreement with the City related to his negligence.⁷ DOB should analyze whether its audits are reaching sufficient numbers of jobs, and how it might engage the industry to further improve quality and safety.
- **Construction Injuries.** Construction-related incidents with injury increased from 185 to 237 and construction-related injuries increased from 200 to 266 when comparing the first four months of Fiscal 2023 to the same period in Fiscal 2024. Despite an increase in injuries overall, DOB states there has been a notable decrease in fatalities and life-threatening injuries in the first four months of Fiscal 2024. There were two fatalities in the first four months of both Fiscal 2023 and Fiscal 2024.

DOB’s analysis of the data suggests that the surge in injuries stems from a substantial number of fall-related incidents that did not result in violations or stem from adverse practices by site safety personnel, which seems to suggest mistakes on the part of the workers themselves. DOB stated that it is “investigating this trend to identify correlations within specific work groups, trades, or individual personnel.” DOB should publicly announce the eventual findings of its investigation and recommit to reducing construction injuries and fatalities.

Budget Issues and Concerns

- **Staffing Crisis and Hampered Performance in Core Operations.** 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.

⁶ The City of New York, Preliminary Fiscal 2024 Mayor’s Management Report, January 2024, available online at: <https://www.nyc.gov/assets/operations/downloads/pdf/pmmr2024/dob.pdf>.

⁷ Office of the Mayor, “Mayor Adams Announces Two-Year Suspension for Professional Engineer Following Investigation Into December 2023 Bronx Building Collapse,” February 22, 2024, available online at: <https://www.nyc.gov/office-of-the-mayor/news/137-24/mayor-adams-two-year-suspension-professional-engineer-following-investigation-into>.

Inspections. Multiple rounds of vacancy reduction have seriously impinged on DOB's budgeted headcount for inspectors. As a result, there is little capacity to strengthen enforcement, including in key inspectorial specialties. Given the number of serious building collapses that have occurred in recent years DOB's inspector headcount continues to be a major concern. Additionally, although the unions representing workers in the Department have agreed to increased wages as part of collective bargaining, it is continually reported that these positions still provide pay rates that are too low to attract and retain, a workforce of high-quality inspectors. The Administration should review what Equity Funds or other incentives exist to strengthen its pipeline of inspector recruitment, training, and retention.

Construction Safety. The Department's comprehensive approach to bolstering safety awareness involves direct engagement at construction sites, targeted distribution of outreach materials focusing on fall protection and ladder safety, communication of training prerequisites to permit holders and site safety professionals, and active engagement on social media. As part of the Department's proactive measures, during spring-summer 2023, the DOB conducted a significant safety sweep across all sites to promote safety awareness and distribute relevant materials.

The Department reports it remains committed to enforcing Local Law 196 of 2017, ensuring that workers on construction sites complete the mandated 40 hours of safety training. The reduction of allowable construction sites overseen by an individual Construction Superintendent from five to three took effect earlier this calendar year. This decision is anticipated to have a positive impact on reducing construction-related injuries. Nevertheless, this year's two rounds of vacancy reductions eliminated 18 positions from the Construction Safety Division, as discussed in the Headcount section of this report, and is a serious concern.

Climate Change Regulation. Staffing in the Sustainability Bureau, where only 11 DOB staffers are responsible for conducting compliance reviews in the over 50,000 buildings covered by the law, continues to be under budgeted. Education, outreach, training, support, and enforcement are all required to maximize the impact of the transformational Climate Mobilization Act in Local Law 97. The compliance timeline is divided into three periods, when Phase 2 commences in 2030, (applying to all buildings larger than 25,000 square feet), it will dramatically increase the universe of buildings subject to Local Law 97. In order to effectively implement this phase of the law DOB will need to start expanding the Bureau's staffing.

- **Revenue Maximization.** The Administration must also look to smartly maximize its revenue, by pushing towards penalties that create safety by disincentivizing dangerous behavior. These and other reasonable changes to fines and fees could enhance the City's overall fiscal position and promote public safety and building owner accountability.

Penalties for Failure to Provide Access. The Independent Budget Office (IBO) suggests issuing greater financial penalties against property owners who fail to give access for buildings inspections. This rationale for stiffer fines is underscored by the death of a construction worker in Borough Park, Brooklyn, in February 2024.⁸ As the *New York Times* reports, the worker was killed when the first floor collapsed at a home whose owner had been cited for construction without a permit. Inspectors went to the home in December but were unable to gain access; when they

⁸ Hurubie Meko and Sean Piccoli, The New York Times, "Man Killed in Collapse of Building Being Worked on Without a Permit," February 2, 2024, available online at: <https://www.nytimes.com/2024/02/02/nyregion/brooklyn-building-collapse.html>.

returned in January, they saw excavation being done and ordered a halt. However, construction continued, leading to the fatal incident in February.

IBO states that \$13 million annually could be generated through imposing a \$500 penalty when inspectors are unable to gain access to a property. Property owners could get the penalty dropped by permitting access at a subsequent inspection.

Sidewalk Sheds. Sidewalk sheds also present an interesting opportunity to raise revenue and deal with an unsightly and longstanding issue. Local Law 11, also called the Facade Inspection and Safety Program (FISP), requires buildings of more than six stories to have their facades undergo periodic inspection and maintenance by a Qualified Exterior Wall Inspector (QEWI). Building owners are required to file a technical report with DOB once the inspection is completed, and failure to comply results in fines.

The IBO has suggested changes to the Local Law 11 fine schedule. OMB should conduct its own assessment of the action, which IBO suggests could generate up to another \$150 million annually if fully implemented.⁹ The Council and Administration should work together to get sheds down and ensure building owners promptly attend to the provisions of the law.

⁹ NYC Independent Budget Office, "Budget Options For New York City: Housing & Buildings," February 2024, available online at: <https://ibo.nyc.ny.us/iboreports/options-housing-and-buildings-2024.pdf>.

Appendix

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY24			FY25		
	City	Non-City	Total	City	Non-City	Total
DOB Budget as of the Adopted FY24 Budget	\$219,231	\$0	\$219,231	\$190,911	\$0	\$190,911
Changes Introduced in the November Plan						
Programs to Eliminate the Gap (PEGs)						
OTPS Savings	(\$2,735)	\$0	(\$2,735)	\$0	\$0	\$0
PS Savings	(3,320)	0	(3,320)	0	0	0
Vacancy Reduction	(4,963)	0	(4,963)	(9,546)	0	(9,546)
Subtotal, PEGs	(\$11,018)	\$0	(\$11,018)	(\$9,546)	\$0	(\$9,546)
Other Adjustments						
Asylum Seeker Adjustment	\$0	\$190	\$190	\$0	\$190	\$190
Doris Grant	0	69	69	0	0	0
FY24 IC Mod w/ DOB-SRS	0	528	528	0	0	0
I/C DOB FY24	0	375	375	0	0	0
Aid to Asylum Seekers	118	0	118	0	0	0
CSBA CB Funding	536	0	536	526	0	526
CWA L1180 CB Funding	1,338	0	1,338	1,355	0	1,355
IBT CB Funding	6	0	6	4	0	4
L211 CB Funding	4,966	0	4,966	4,780	0	4,780
L300 CB Funding	81	0	81	78	0	78
Subtotal, Other Adjustments	\$7,045	\$1,161	\$8,206	\$6,742	\$190	\$6,932
TOTAL, All Changes in November Plan	(\$3,974)	\$1,161	(\$2,812)	(\$2,804)	\$190	(\$2,614)
DOB Budget as of the November Plan	\$215,258	\$1,161	\$216,419	\$188,107	\$190	\$188,297
Changes Introduced in the Preliminary Plan						
Programs to Eliminate the Gap (PEGs)						
Vacancy Reduction	(\$10,757)	\$0	(\$10,757)	(\$9,405)	\$0	(\$9,405)
Subtotal, PEGs	(\$10,757)	\$0	(\$10,757)	(\$9,405)	\$0	(\$9,405)
Other Adjustments						
L211 ABI CB Adjustment	(\$211)	\$0	(\$211)	(\$211)	\$0	(\$211)
Subtotal, Other Adjustments	(\$211)	\$0	(\$211)	(\$211)	\$0	(\$211)
TOTAL, All Changes in the Preliminary Plan	(\$10,968)	\$0	(\$10,968)	(\$9,616)	\$0	(\$9,616)
DOB Budget as of the Preliminary Plan	\$204,290	\$1,161	\$205,452	\$178,492	\$190	\$178,682

Source: New York City Office of Management and Budget