



# FY 2020 Agency Watch List

## Department of Buildings

New York City Comptroller Scott M. Stringer

Bureau of Budget

MAY 2019

## Why is This Agency on the Watch List?

The Department of Buildings (DOB) is on the Comptroller's Agency Watch List for the first year. First announced in 2018, the Agency Watch List spotlights city agencies that raise the most budgetary concerns due to rapidly increased spending and lackluster results. The following report reviews trends and recommends indicators that should be reported and monitored to evaluate the effectiveness of agency spending in achieving the Administration's stated goals.

The DOB plays a critical role in ensuring compliance and safety in all stages of building construction, from conception to development to occupancy. To fulfill that mission, the DOB reviews development plans, issues permits, enforces construction and zoning codes, responds to emergencies, and investigates accidents. Comptroller Stringer has previously highlighted the inherent conflict in the DOB's dual mission to both approve and police projects and has recommended a new, independent [Office of Inspection](#) to enable the DOB to focus on serving customers promptly and efficiently.

In 2015, Mayor de Blasio released a blueprint for fundamental reform to the DOB's internal processes, customer service, and oversight. The plan, called "[Building for One City](#)," recommended an additional \$120 million and 320 new positions over four years to overhaul agency services, including replacing the DOB's legacy database, reducing customer service times, and improving transparency. Stemming from these recommendations, the department's total budget grew 62 percent from \$98.7 million in Fiscal Year (FY) 2014 to \$159.7 million in FY 2018, as total full-time headcount expanded by 51 percent.

Increased resources and staff has enabled the DOB to reduce service times for plan reviews, inspection requests, and complaint responses. Additionally, the DOB has increased its use of data analytics to target enforcement and enhanced transparency by creating several new interactive data tools, including "[DOB Building Profiles](#)," "[DOB Job Filings](#)," "[NYC Active Construction](#)," and the "[NYC Construction Dashboard](#)."

Despite these successes, safety performance has deteriorated. From FY 2014 to 2018, the number of total building construction-related accidents increased by 252 percent, including a 167 percent increase in fatalities. While the [City Council](#) has passed dozens of laws to improve safety and worker training in recent years and the City quadrupled [penalties](#) for serious safety lapses in 2016, the rise in construction accidents has continued. As of May 2019, at least nine construction workers had died on the job during FY 2019. A spate of three deaths in April prompted the DOB to deploy more than [90 inspectors](#) to perform a two-week sweep of construction sites across the city.

## Recent Developments

- In July 2016, the department released an online platform called DOB NOW, which will eventually allow customers to electronically submit all job filings, check the status of applications, and schedule appointments. The DOB has continued to roll out additional functionality during FY 2019.
- In response to an increase in construction-related accidents and injuries, in 2017 the City Council passed [Local Law 196](#), which mandates new construction site safety training requirements for workers of construction job sites. Citing a lack of training resources, the implementation deadline has been pushed back twice, most recently until December 1, 2019, with the option for a further one-year delay. The annual cost of expanding [Construction Site Safety and Training Compliance](#) and related personnel at DOB was estimated to be \$15 million and 194 positions.
- In August 2017, the City Council passed the Stand for Tenant Safety legislative package. One component of the legislation protects tenants from construction-related harassment. The annual cost of expanding [Tenant Protection](#) services and related personnel at DOB was estimated to be \$5.2 million and 75 positions.
- In September 2018, the DOB consolidated six customer service units into one Manhattan location.

## Indicators to Watch

The Watch List includes tables with selected indicators as reported in the Mayor’s Management Report (MMR) and other sources. Also included are key indicators that should be tracked and reported in order to evaluate the effectiveness of initiatives, labeled “Indicators to watch.” A number of these are not currently publicly reported, however, and the Administration should move immediately to make the relevant statistics publicly available and ultimately incorporate them into the MMR.

## Public Safety

- From FY 2014 to FY 2018, the number of construction-related incidents to which DOB responded increased by 129 percent, as accidents and injuries more than tripled.
- The DOB reported 16 construction-related fatalities in FY 2018, compared to six in FY 2014 and between nine and 11 in FY 2015 to FY 2017.
- Another five fatalities occurred in the first four months of FY 2019 (July to October 2018).

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 To Date*
Construction-related incidents	459	736	979	1,170	1,052	347
Construction-related accidents	207	314	500	611	729	265
Construction-related injuries	212	324	526	622	744	270
Construction-related fatalities	6	10	11	9	16	5

SOURCE: Office of the Comptroller based on *Mayor’s Management Report*. \*Projected based on data through 10/31/18.

## Indicators to Watch

- Construction-related accidents, injuries, and fatalities; monthly ([Construction Related Accident Reports](#))
- Citywide and building-level information on the total the number of construction-related accidents; rolling 12-month period, updated weekly ([DOB Building Profiles](#))

## Budget and Spending

- Since FY 2014, the DOB budget has grown by \$61 million, or 62 percent, from \$98.7 million to \$159.7 million in FY 2018. During this 4-year period, the department added 528 full-time employees, expanding full-time headcount by 51 percent.
- Over the same period, the DOB's spending on contractual services more than doubled, from \$11.3 million to \$24.1 million, with the vast majority of the increase related to information technology contracts.
- In FY 2018, the DOB issued more than 111,000 initial building construction permits – 13 percent more than in FY 2014 – and 62,000 renewal permits – a 40 percent increase from FY 2014.

	FY 14	FY 15	FY 16	FY 17	FY 18	Budgeted FY 19*	Actual FY 19 To Date**	Budgeted FY 20*
Expenditures (\$mil)	\$98.7	\$108.7	\$134.7	\$150.4	\$159.7	\$200.6	\$68.2	\$199.5
Contractual services (\$mil)	\$11.3	\$11.1	\$20.3	\$21.6	\$24.1	\$41.1	\$20.5	\$28.6
Total full-time headcount	1,037	1,099	1,311	1,497	1,565	1,869	1,567	1,852
Total jobs filed	82,551	91,933	93,133	92,588	95,530	N/A	35,660	N/A
Initial building construction permits issued (BIS & DOB NOW)	98,302	104,087	109,277	109,724	111,185	N/A	40,467	N/A
Renewal permits issued (BIS & DOB NOW)	44,538	44,774	52,244	56,183	62,297	N/A	22,201	N/A
Certificates of occupancy issued	5,694	5,289	5,893	6,427	6,032	N/A	1,948	N/A

SOURCE: Office of the Comptroller; Financial Management System.

NOTES: N/A: Not available. BIS: Building Information System. \*As of FY 2020 Executive Budget. \*\*As of 10/31/2018.

## Indicators to Watch

- Job filings by type; monthly ([DOB Job Filings](#))
- Active construction project permits, total square footage, dwelling units, and cost by location; updated daily ([NYC Active Construction](#))
- Citywide and building-level information on the total number of construction permits issued; rolling 12-month period; updated weekly ([DOB Building Profiles](#))
- Construction permits by type and community district; annual ([NYC Construction Dashboard](#))
- Additional data on job application filings, permits issued, and certificates of occupancy available on [NYC Open Data](#)

## Plan Reviews and Inspections

- In 2015, the City committed to hiring an additional 159 plan examiners over two years to improve service times. The DOB's goal was to reduce the time to review initial plans from 15 days to 10 days by FY 2016.
- As of June 30, 2018, the DOB employed 198 plan examiners and assistant plan examiners, 165 more than at year-end FY 2014, and average service times to complete plan reviews for new buildings and major renovations were under six days. Of the 165 new plan examiners, 155 are assistant plan examiners and 10 are plan examiners.
- Additionally in 2015, the City committed to hiring 34 new development inspectors over two years. The pace of hiring has far exceeded the DOB's initial goal. As of FY 2018, the DOB employs 214 more inspectors and administrative and associate inspectors than in FY 2014, including 132 new construction inspectors.
- Additional inspectors were intended to reduce wait times for most inspection types to an average of five days. At the time, the City noted that the average wait for boiler and elevator inspections exceeded 20 days.
- As of FY 2018, average wait times for inspections were between two and four days for construction, electrical, and plumbing inspections.
- An [audit](#) by the Comptroller's office in 2016 found that DOB failed to meet its own standards for audits of professionally certified plan applications.

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 To Date*
Plan examiners and assistant plan examiners	33	49	128	182	198	N/A
First plan reviews completed	76,669	84,449	88,542	86,878	77,391	26,206
First plan reviews completed per examiner	2,323	1,723	692	477	391	N/A
Average days to complete first plan review (borough offices) - new buildings	8.8	14.9	11.1	5.6	5.7	4.7
Average days to complete first plan review (borough offices) - major renovation	11.3	15.2	12.2	5.8	5.5	5.3
Average days to complete first plan review (Hub projects) - new buildings	12.7	17.9	9.9	4.9	4.2	5.1
Average days to complete first plan review (Hub projects) - major renovation	11.9	16.2	9.0	5.1	4.3	5.0

SOURCE: Office of the Comptroller; Financial Management System. *Mayor's Management Report*. \*Through 10/31/18.

NOTES: N/A: Not available.

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 To Date*
Total inspectors, admin. inspectors, and assoc. inspectors	359	387	456	522	573	N/A
Construction inspectors and associate inspectors	168	187	210	261	300	N/A
Construction inspections completed	142,222	139,323	148,162	156,508	188,221	61,288
Construction inspections per inspector	847	745	706	600	627	N/A
Average days between construction inspection request and inspection	3.4	3.6	3.8	2.7	2.4	2.3
Average days between plumbing inspection request and inspection	4.5	4.5	3.8	3.4	2.1	2.3
Average days between electrical inspection request and inspection	6.1	5.2	6.4	6.5	3.9	2.6

SOURCE: Office of the Comptroller; Financial Management System. *Mayor's Management Report*. \*Through 10/31/18.

NOTES: N/A: Not available.

## Indicators to Watch

- Initial plan review completed per examiner; annual (*calculated by Comptroller's Office*)
- Construction inspections per inspector; annual (*calculated by Comptroller's Office*)
- Citywide and building-level information on the total number of inspections completed; rolling 12-month period, updated weekly ([DOB Building Profiles](#))
- Time to complete first plan review for affordable housing projects; annual (*not reported*)
- Average service wait times for all types of inspections, including boilers, elevators, and hoists and rigging; annual (*not reported for all types*)
- Average service wait times for all types of inspections for affordable housing projects; annual (*not reported*)

## Building Code Enforcement and Violations

- The DOB aims to respond to emergency complaints within one day and non-emergency complaints within 40 days. Additional inspectors were hired in FY 2017 to clear DOB's backlog of non-emergency complaints.
- Compared to FY 2014, the DOB responded to 14 percent more emergency complaints and 19 percent more non-emergency complaints in FY 2018.
- The average time to respond to an emergency complaint fell by 43 percent over the period, from about 17 hours to 10 hours, as the response time to a non-emergency dropped by 62 percent, from about 35 days to 13 days.
- A [2018 audit](#) by the Comptroller's office cited weaknesses in field inspection practices, despite creation of an Inspections Oversight procedure at DOB.
- While the number of DOB-issued violations has fluctuated over the past four years, and was lower in FY 2018 than FY 2014, the number of building violations issued by the Office of Administrative Trials and Hearings (OATH) rose by 72 percent.
- Nonetheless, fine revenue generated by the DOB grew by 72 percent from \$42 million in FY 2014 to \$73 million in FY 2018, as the average fine collected per DOB-issued violation grew from \$512 to \$915.

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 To Date*
Emergency complaints received	14,654	15,827	17,629	16,591	16,989	6,299
Emergency complaints responded to	14,468	15,420	16,927	15,981	16,463	6,116
Non-emergency complaints received	70,089	63,160	70,661	74,240	78,526	28,027
Non-emergency complaints responded to	63,215	54,688	60,716	72,848	75,326	25,858
Average days to respond to emergency complaints	0.7	0.7	0.8	0.6	0.4	0.4
Average days to respond to non-emergency complaints	34.6	38.4	42.8	38.2	13.2	10.9

SOURCE: *Mayor's Management Report*. \*Through 10/31/18.

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 To Date*
Construction inspections resulting in at least one violation	19.1%	18.6%	24.9%	24.6%	26.0%	26.2%
DOB violations issued	82,753	65,215	61,393	89,430	79,422	11,122
OATH violations issued	47,768	52,315	55,121	66,399	82,228	29,011
Fines (\$mil)	\$42.4	\$52.1	\$60.4	\$62.6	\$72.7	\$29.3
Average fine collected per DOB violation issued	\$512.1	\$798.2	\$983.9	\$700.4	\$915.7	N/A

SOURCE: Office of the Comptroller; Financial Management System. *Mayor's Management Report*. \*Through 10/31/18.

## Indicators to Watch

- Share of fines dismissed, reduced, and paid; annual (not reported)
- Violation revenue from DOB-issued summonses adjudicated before the Office of Administrative Trials and Hearings; annual (not reported)
- Citywide and building-level information on inspections by type, complaints (including illegal conversion complaints, work without permit complaints, and tenant harassment complaints), and violations issued (including stop work orders and vacate orders); rolling 12-month period, updated weekly ([DOB Building Profiles](#))
- DOB-imposed disciplinary actions, including penalties and license suspensions and revocations; monthly ([Enforcement Action Bulletins](#) and [Disciplinary Actions & Surrenders](#))
- Additional data on DOB complaints received, DOB violations, and ECB violations available on [NYC Open Data](#)

## License, Permit and Fee Revenue

- The DOB collected \$257 million in license, permit and fee revenue in FY 2018, a 26 percent increase from FY 2014.
- The largest percent increase was in general permit revenue – from building permits and illuminated signs – which rose 72 percent over the period.

Revenue (\$ in millions)	FY 14	FY 15	FY 16	FY 17	FY 18	Budgeted FY 19*	Budgeted FY 20*
Licenses - general	\$2.4	\$2.5	\$3.6	\$3.1	\$2.8	\$2.9	\$2.1
Permits - general	27.5	31.7	35.9	37.4	39.6	41.9	35.9
Construction permits	134.0	163.5	159.7	157.4	170.3	188.0	177.7
Other services and fees	34.3	36.6	37.3	37.8	39.4	36.2	34.7
Administrative services to the public	5.5	5.6	5.1	5.0	4.8	4.5	5.5
<b>Total</b>	<b>\$203.7</b>	<b>\$239.9</b>	<b>\$241.6</b>	<b>\$240.7</b>	<b>\$256.9</b>	<b>\$273.5</b>	<b>\$255.9</b>

SOURCE: Office of the Comptroller; Financial Management System. \*Budgeted, as of FY 2020 Executive Budget.

## Indicators to Watch

- After-hours permits; annual (*not reported*).