

New York City Council
Hon. Julie Menin, Speaker of the Council
Hon. Linda Lee, Chair, Finance Committee
Hon. Pierina Sanchez, Chair, Housing and Buildings Committee

**Report on the Fiscal 2027 Preliminary Plan,
the Fiscal 2027 Preliminary Capital Commitment Plan, and the Fiscal 2026
Preliminary Mayor’s Management Report for the Committee on Housing and
Buildings**

Richard Lee, Director
Jonathan Rosenberg, Managing Deputy Director
Chima Obichere, Deputy Director
Paul Scimone, Deputy Director
Eisha Wright, Deputy Director

Prepared By:
Carla Naranjo, Financial Analyst
Daniel Kroop, Assistant Director
Katherine McMahan, Albert Vann Legislative
Fellow

Fiscal 2027 Preliminary Plan

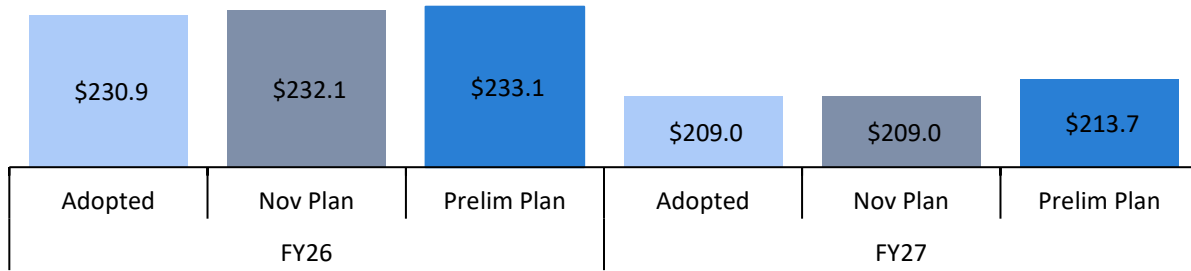
Department of Buildings Budget Overview

The Department of Buildings (DOB or The Department) regulates the safe and lawful use of more than 1,000,000 buildings and over 44,400 active construction sites by enforcing the City’s Construction Codes, Zoning Resolution and Energy Code, as well as the New York State Multiple Dwelling Law. DOB also administers the review and approval of building plans, permitting and licensing functions, and inspections. The Department has seen a number of changes to its budget since the release of the Fiscal 2026 Adopted Plan in June 2025.

The Preliminary Financial Plan for Fiscal 2026-2030 (Preliminary Plan) includes a proposed Fiscal 2027 budget of \$213.7 million for DOB, \$4.7 million (2.2 percent) more than its \$209.0 million Fiscal 2027 budget in the November Plan. DOB’s Fiscal 2026 budget in the Preliminary Plan is \$970,000 (0.4 percent) more than its \$231.1 million Fiscal 2026 budget in the November Plan. The current Fiscal 2027 budget is \$17.2 million (7.5 percent) less than the \$230.9 million Fiscal 2026 budget at adoption.

DOB generates substantial revenue from permitting and inspection fees, as well as penalties. The Preliminary Plan includes approximately \$353.1 million of DOB miscellaneous revenue in Fiscal 2027, \$1.9 million greater than the amount in the Fiscal 2026 Adopted Budget.

Comparison of the Last Three Financial Plans



Dollars in Millions

Source: New York City Office of Management and Budget

DOB Financial Summary

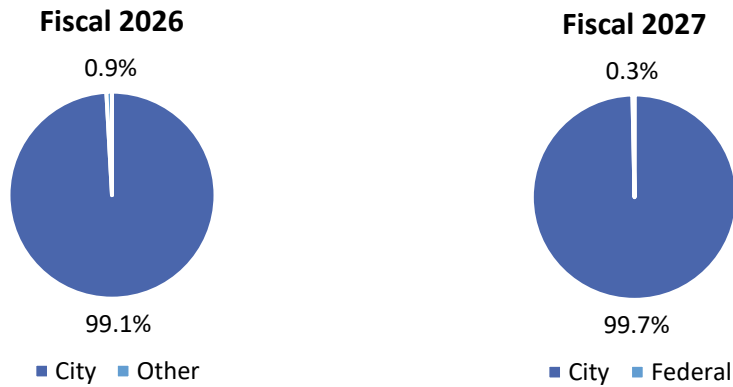
Dollars in Thousands	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27 - FY26
Budget by Program Area						
Agencywide Operations	\$147,222	\$101,150	\$128,198	\$129,107	\$112,267	(\$15,931)
Enforcement and Development	43,114	70,580	88,428	89,713	89,166	738
Sustainability	0	7,808	14,243	14,252	12,218	(2,024)
TOTAL	\$190,336	\$179,537	\$230,869	\$233,072	\$213,652	(\$17,217)
Funding						
City Funds	\$189,246	\$178,358	\$229,729	\$231,049	\$212,968	(\$16,761)
State	187	134	0	0	0	0
Federal - Other	0	0	1,140	1,149	683	(456)
Intra City	903	1,046	0	874	0	0
TOTAL	\$190,336	\$179,537	\$230,869	\$233,072	\$213,652	(\$17,217)
Budgeted Headcount						
Full-Time Positions - Civilian	1,541	1,571	1,822	1,853	1,864	42
Full-Time Equivalent Positions	22	34	23	26	30	7
TOTAL	1,563	1,605	1,845	1,879	1,894	49

*The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.

Source: New York City Office of Management and Budget

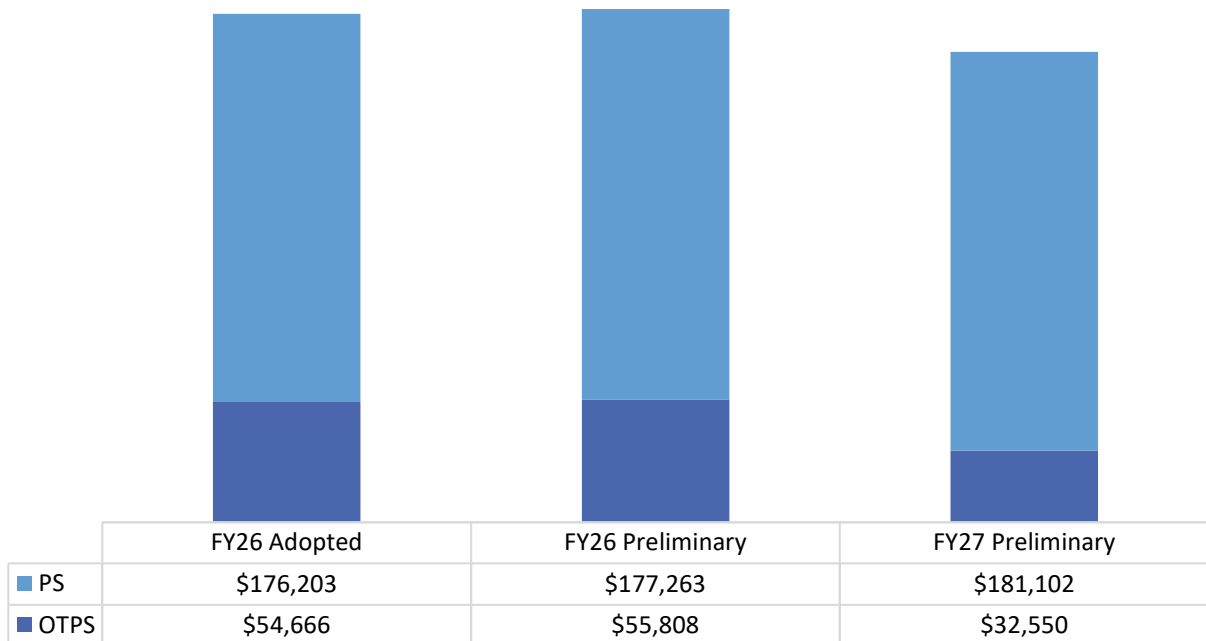
Budget by Funding Source

Fiscal 2027 City Funds: 99.7 percent



Source: New York City Office of Management and Budget

Personal Services (PS) and Other Than Personal Services (OTPS)



Dollars in Thousands

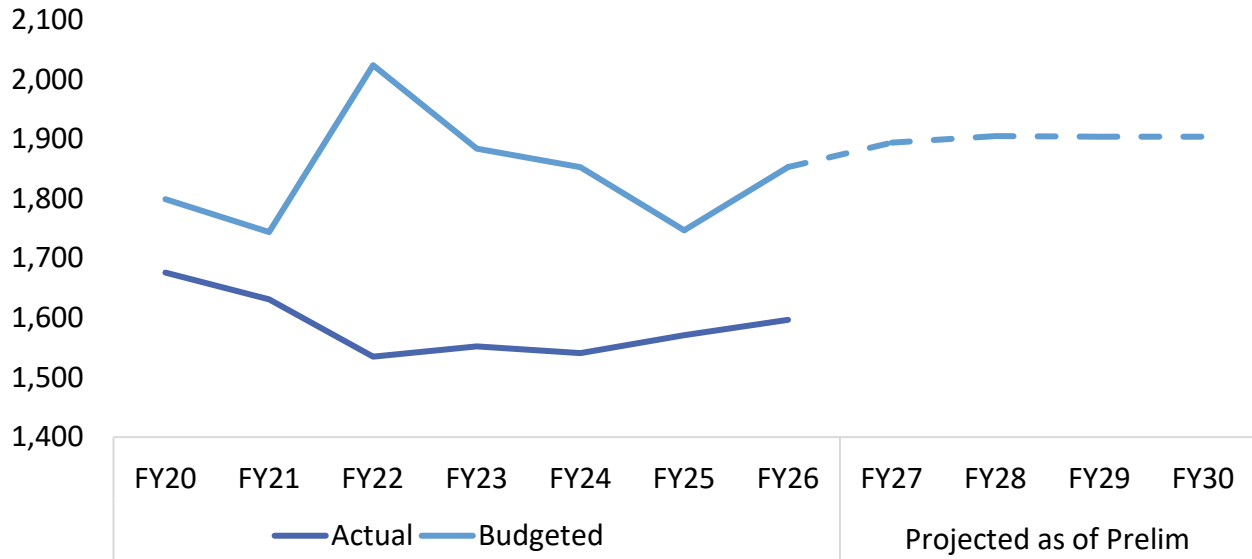
Source: New York City Office of Management and Budget

Headcount

FY26 Budgeted Full-Time Positions: 1,853
 Actual Headcount as of February 2026: 1,597

FY27 Budgeted Full-Time Positions: 1,894
 Vacancy Rate as of February 2026: 13.8 percent

Budgeted and Actual Headcount FY20-FY30



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 Fiscal 2026 where budgeted headcount is as of the Preliminary Plan and actual headcount is as of February 2026.

DOB Contract Budget

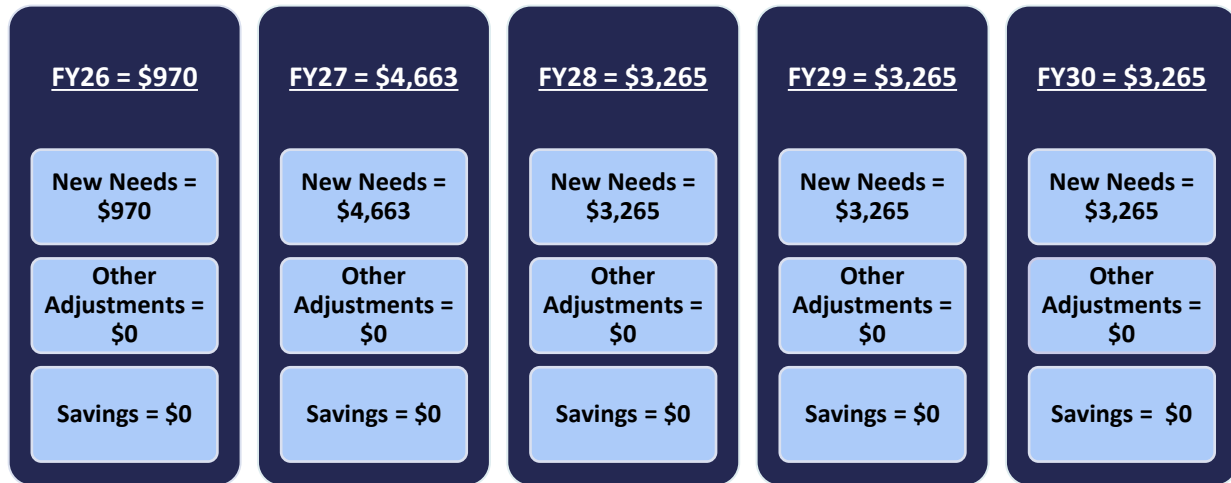
Fiscal 2027 Contract Budget: \$14.2 million
 Number of Contracts in Fiscal 2027: 18

Dollars in Thousands

Category	FY26 Adopted	Number of Contracts	FY27 Preliminary	Number of Contracts
Contractual Services - General	\$1,275	1	\$1,775	2
Data Processing Equipment Maintenance	5,580	1	4,921	1
Office Equipment Maintenance	44	1	44	1
Prof. Services - Computer Services	18,830	1	2,954	1
Prof. Services - Other	2,621	8	2,979	9
Security Services	600	1	610	1
Temporary Services	260	2	50	1
Training Program for City Employees	833	2	833	2
TOTAL	\$30,044	17	\$14,167	18

Source: New York City Office of Management and Budget

Preliminary Plan Changes



Dollars in Thousands

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.

Significant Preliminary Plan Changes

New Needs

- Sidewalk Shed Local Laws.** The Preliminary Plan includes an additional \$600,000 in Fiscal 2026 and \$2.0 million in City funding in Fiscal 2027 and in the outyears for 23 additional revenue-generating positions to help implement the sidewalk-shed local laws passed in Fiscal 2025. Particularly, programming will enable the platform to take in penalties that were created in compliance with the legislation. The positions are shown in the table below.

Office Title	Salary	# of Pos
Admin Support	\$65,000	2
Admin/Customer Service	\$75,000	10
Inspector	\$72,000	1
Supervising Inspector	\$82,000	1
Plan Examiner	\$95,000	7
Assistant Chief Plan Examiner	\$107,656	1
Chief Plan Examiner	\$130,000	1

- Modell's Space Renovation.** The Preliminary Plan includes an additional \$1.6 million of City funding in Fiscal 2027 only for non-structural renovations at 280 Broadway for the old Modell's space. The renovation would increase the space capacity by 100 workstations for DOB.
- Licensing and Elevators.** The Preliminary Plan includes an additional \$1.1 million of City funding in Fiscal 2027 and \$1.3 million in Fiscal 2028 and in the outyears for 13 additional

positions and OTPS costs required to administer licensing and elevator safety inspections. These positions are shown in the table below.

Office Title	Salary	# of Pos
Clerical	\$55,000	4
Supervisor Clerical	\$85,000	1
Investigator	\$66,000	5
Supervising Investigator	\$80,000	2
Assistant Chief Investigator	\$95,656	1

- DOBNOW Programming.** The Preliminary Plan includes an additional \$370,000 of City funding in Fiscal 2026 only for DOBNOW programming. DOBNOW is the online platform for building professionals to conduct business with DOB. The funding was added to DOB’s budget to incorporate Electrical “No Show” Penalties into the agency’s DOBNOW system. Further, the programming will allow DOB to better track inspection cycles, flag tenant no-shows, and auto-issue penalties to offenders, which should lead to improved revenue generation. OMB anticipates that the additional revenue generated will offset the new need expense funding added to DOB’s budget. As of February 2026, DOB has spent \$172.8 million on DOBNOW.

Preliminary Mayor’s Management Report

The Preliminary Mayor's Management Report (PMMR) for Fiscal 2026 reports on the enforcement of building and zoning laws and the review of construction plans in an efficient, prompt manner at DOB. Noteworthy metrics that were reported are detailed below.

- DOBNOW Filings.** Largely due to the transition from BIS to DOBNOW, job filings in DOBNOW increased to 92,311 in the first four months of Fiscal 2026 compared to 88,976 in the same period in Fiscal 2025, a 3.7 percent increase. However, the average days to complete first plan review has increased, particularly for new buildings, which increased to 10 days in the first four months of Fiscal 2026 compared to 5.9 days over the same period of Fiscal 2025.
- Development Inspections.** The time to complete development inspections has remained relatively unchanged in Fiscal 2026 as compared to the same period in the prior fiscal year, except for plumbing inspection requests, which have increased from 4.0 days over the first third of Fiscal 2025 to 6.2 days over the same period this year.
- Emergency Response Times Remain Steady.** In the first four months of Fiscal 2026, DOB received 7,134 emergency complaints, a slight increase from the 7,030 received during that period in Fiscal 2025. DOB’s average time to respond to emergency complaints has remained steady over the past three fiscal years at 0.3 days.

- **Nonemergency Complaint Response Time Lags.** Non-emergency complaints have continued to rise over the past three fiscal years. Unfortunately, DOB's average response time to these complaints have not been able to keep pace with this increase. Response time increased, from 15.0 days in the first four months of Fiscal 2025 to 21.2 days over the same period in Fiscal 2026. DOB reports that the increase is due to prioritizing emergencies because of resource constraints.
- **Inspection Completions Improve.** In the first four months of Fiscal 2026, DOB has completed 131,726 inspections compared to 130,308 in the same period in Fiscal 2025. Development inspections completions have increased (65,469 in Fiscal 2026 compared to 62,831 in Fiscal 2025) while enforcement inspection completions have declined (66,527 in Fiscal 2026 to 67,477 in Fiscal 2025) comparing the first four months of the current fiscal year to the same period last year. DOB should clarify how much of the change is due to proactive inspections and Local Law 79 of 2024.
- **Construction Injuries Improve.** The number of construction-related injuries have continued to decline, a trend going back to Fiscal 2022. In the first four months of Fiscal 2026 only 108 injuries were reported to DOB, compared to 146 over the same period in Fiscal 2025, a 26 percent decrease. Fatalities have remained the same, at 2 during each period.

Budget Issues and Concerns

DOB continues to cite budgetary constraints and staffing issues related to their complaint response and filing approval timelines. The hiring freeze at DOB affecting 50 positions between Fiscal 2021 and Fiscal 2024, as well as the elimination of 62 vacancies in Fiscal 2024 and 117 vacancies in Fiscal 2025 have resulted in increased time for DOB to respond to complaints and approve filings. While 95 positions were restored or added in Fiscal 2026, the Department continues to have staffing concerns. DOB lost a net total of 90 budgeted positions during the Adams Administration.

- Actual positions in DOB's agencywide operations decreased significantly from 1,541 in Fiscal 2024 to 718 in Fiscal 2025. Actual positions in DOB's agencywide operations decreased from 1,541 in Fiscal 2024 to 718 in Fiscal 2025. This decrease is, in part, due to the creation of the new U/As for sustainability operations, which absorbed some of the positions originally budgeted in agency operations. A total of 787 budgeted positions were allocated to DOB in Fiscal 2027 Preliminary Plan related to sustainability operations. Additional positions should be considered for inspections, operations and technical support, particularly Borough-based staff. The ability of the Sustainability Bureau to address the increasing demands of Local Law 97 implementation also merit examination.
- DOB has increased the number of budgeted positions in Enforcement and Development— by 39 positions in the Fiscal 2027 Preliminary Plan when compared to the Fiscal 2026

Adopted Budget. Increased budgeted headcount and salaries for existing inspector staff would improve inspection response times and retention. The budgeted headcount DOB’s inspectors is presented in the chart below. Vacancy rates vary across positions with the largest number of vacancies in plumbing inspectors. DOB should consider how it is collaborating with City workforce initiatives, for example through the New York City Economic Development Corporation and Department of Small Business Services, to train and employ the necessary inspectorial staff.

Position Function	Position Category	Budgeted	Actual	# of Vacancies	Vacancy Rate
Inspection	Boilers	22	17	5	23%
	Construction	432	367	65	15%
	Cranes & Derricks	8	8	0	0%
	Electrical	57	52	5	9%
	Elevator	32	28	4	13%
	Investigations	31	26	5	16%
	Plumbing	76	60	16	21%

- Because DOB’s budget is almost entirely City funds, additional unpaid fees from enforcement would increase miscellaneous revenue and support departmental and other citywide needs.

Miscellaneous Revenue

- The Preliminary Plan includes approximately \$353.1 million of DOB miscellaneous revenue in Fiscal 2027, \$1.9 million greater than the miscellaneous revenue in the Fiscal 2026 Adopted Budget.
- The difference is largely attributable to an additional \$2.9 million of revenue from construction permits, which are budgeted at \$185.6 million in Fiscal 2027. Construction permits are consistently the DOB’s largest revenue source. This additional revenue can be attributed to both the City of Yes Plan, as well as an ongoing focus on building more housing.
- DOB expects revenue from Late Filing/No Permit Penalties to increase as the Department plans to auto-issue electrical penalties to offenders through DOBNOW Programming in the Fiscal 2027 Preliminary Plan. Licenses for tradesmen revenue are expected to increase in Fiscal 2027 due to the passage of Local Law 429 of 2025, which requires gas piping inspections to be conducted by a licensed master plumber. Additionally, the increased enforcement of Local Law 97 of 2019 may have a future impact on sustainability filing fees, although no change is reflected in the Fiscal 2027 Preliminary Plan.
- According to a 2023 IBO report, DOB had approximately \$627 million in unpaid penalties between Fiscal 2017 and 2022, more than two thirds of the total amount of unpaid

penalties in the IBO analysis. Prioritizing unpaid penalty collection would generate more revenue to support DOB operations.

Source: Jacob Berman and Bernard O'Brien, Independent Budget Office, "Total Cost of Three Selected Categories of Unpaid Fines and Charges in New York City," April 2023, available at: <https://www.ibo.nyc.ny.us/iboreports/unpaid-fees-fines-letter-april-2023.pdf>.

Dollars in Thousands

Revenue Sources	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
Building Inspection Fees	\$20,103	\$19,762	\$18,351	\$18,351	\$17,941	(\$410)
Building Permits	27,947	26,069	30,000	30,000	30,000	0
Construction Permits	158,701	188,513	182,623	182,623	185,565	2,942
Electrical Inspection Fees	9,886	10,480	10,000	10,000	10,000	0
Elevator Inspection Fees	706	730	300	300	776	476
Illuminated Signs	4,150	4,355	2,936	2,936	2,936	0
Late Filing/No Permit Penalties	114,970	117,890	80,720	90,720	78,500	(2,220)
Licenses for Tradesmen	3,401	4,920	3,454	3,454	4,552	1,098
Loft Board Fees	1,663	1,747	745	745	745	0
Major Development Fees	2,200	4,100	3,470	3,470	3,470	0
Microfilm Fees	9,086	8,568	12,000	12,000	12,000	0
Reinspection Fees	736	1,270	1,000	1,000	1,000	0
Scaffold Notification Fees	270	223	375	375	375	0
Sustainability Filing Fees	0	3,290	5,160	5,160	5,160	0
Unsafe Building Fees	25	15	45	45	45	0
TOTAL	\$353,845	\$391,931	\$351,179	\$361,179	\$353,065	\$1,886

**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.*

Source: New York City Office of Management and Budget

Supporting Budget Charts

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY26			FY27		
	City	Non-City	Total	City	Non-City	Total
DOB Budget as of the Adopted FY26 Plan	\$229,729	\$1,140	\$230,869	\$229,729	\$1,140	\$230,869
Changes Introduced in the November 2025 Plan						
New Needs						
NYCHA Building Collapse Investigation	\$350	\$0	\$350	\$0	\$0	\$0
Subtotal, New Needs	\$350	\$0	\$350	\$0	\$0	\$0
Other Adjustments						
EECBG Technical Adjustments	\$9	\$0	\$9	\$0	\$0	\$0
FY26 IC Mod DOB-SRS	874	0	874	0	0	0
Subtotal, Other Adjustments	\$883	\$0	\$883	\$0	\$0	\$0
TOTAL, All Changes in November 2025 Plan	\$1,233	\$0	\$1,233	\$0	\$0	\$0
DOB Budget as of the November 2025 Plan	\$230,962	\$1,140	\$232,102	\$229,729	\$1,140	\$230,869
Changes Introduced in the FY27 Preliminary Plan						
New Needs						
DOBNOW Programming	\$370	\$0	\$370	\$0	\$0	\$0
Licensing and Elevators	0	0	0	1,075	0	1,075
Modell's Space Renovation	0	0	0	1,588	0	1,588
Sidewalk Shed Local Laws	600	0	600	2,000	0	2,000
Subtotal, New Needs	\$970	\$0	\$970	\$4,663	\$0	\$4,663
TOTAL, All Changes in the FY27 Preliminary Plan	\$970	\$0	\$970	\$4,663	\$0	\$4,663
DOB Budget as of the FY27 Preliminary Plan	\$231,932	\$1,140	\$233,072	\$234,392	\$1,140	\$235,532

Source: New York City Office of Management and Budget

Budget by Unit of Appropriation

001/002 - Agencywide Operations						
<i>Dollars in Thousands</i>						
	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
Spending						
001 - Personal Services	\$107,871	\$73,226	\$82,072	\$82,072	\$83,077	\$1,005
Full-Time Salaried - Civilian	94,051	70,468	79,200	79,200	80,201	1,001
Overtime - Civilian	3,144	587	492	492	492	0
Fringe Benefits	87	1	3	3	3	0
Additional Gross Pay	7,343	1,796	1,373	1,373	1,373	0
Additional Gross Pay - Labor Reserve	2,595	24	0	0	0	0
Unsalaries	660	352	1,004	1,004	1,008	4
PS Other	(7)	(3)	0	0	0	0
Subtotal	\$107,871	\$73,226	\$82,072	\$82,072	\$83,077	\$1,005
002 - Other Than Personal Services	\$39,351	\$27,924	\$46,126	\$47,035	\$29,190	(\$16,936)
Contractual Services	8,802	5,019	8,593	6,025	7,734	(859)
Contractual Services - Professional Services	16,144	8,827	21,451	24,802	5,375	(16,076)
Fixed & Misc. Charges	119	179	0	178	0	0
Other Services & Charges	11,193	9,540	8,489	10,513	9,557	1,068
Property & Equipment	883	858	732	403	699	(33)
Supplies & Materials	2,210	3,501	6,861	5,114	5,825	(1,036)
Subtotal	\$39,351	\$27,924	\$46,126	\$47,035	\$29,190	(\$16,936)
TOTAL	\$147,222	\$101,150	\$128,198	\$129,107	\$112,267	(\$15,931)
Funding						
City Funds			\$128,198	\$129,018	\$112,267	(\$15,931)
Intra-City			0	89	0	0
TOTAL	\$147,222	\$101,150	\$128,198	\$129,107	\$112,267	(\$15,931)
Budgeted Headcount						
Full-Time Positions - Civilian	1,541	718	784	786	787	3
TOTAL	1,541	718	784	786	787	3

**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.*

Source: New York City Office of Management and Budget

003/004 - Enforcement and Development*Dollars in Thousands*

	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
Spending						
003 - Personal Services	\$41,977	\$65,159	\$83,273	\$84,559	\$87,379	\$4,106
Full-Time Salaried - Civilian	40,508	59,813	79,003	80,289	82,759	3,756
Overtime - Civilian	1,469	3,101	2,500	2,500	2,850	350
Fringe Benefits	0	83	0	0	0	0
Additional Gross Pay	0	2,029	1,770	1,770	1,770	0
Additional Gross Pay - Labor Reserve	0	15	0	0	0	0
Unsalaries	0	118	0	0	0	0
Subtotal	\$41,977	\$65,159	\$83,273	\$84,559	\$87,379	\$4,106
004 - Other Than Personal Services	\$1,137	\$5,421	\$5,155	\$5,155	\$1,787	(\$3,368)
Contractual Services	0	4,447	3,453	3,453	500	(2,953)
Contractual Services - Professional Services	35	26	0	30	0	0
Other Services & Charges	854	704	730	915	1,210	480
Property & Equipment	0	0	722	602	307	(415)
Supplies & Materials	248	243	250	155	(230)	(480)
Subtotal	\$1,137	\$5,421	\$5,155	\$5,155	\$1,787	(\$3,368)
TOTAL	\$43,114	\$70,580	\$88,428	\$89,713	\$89,166	\$738
Funding						
City Funds			\$88,428	\$88,928	\$89,166	\$738
Intra-City			0	785	0	0
TOTAL	\$43,114	\$70,580	\$88,428	\$89,713	\$89,166	\$738
Budgeted Headcount						
Full-Time Positions - Civilian	0	760	926	955	965	39
TOTAL	0	760	926	955	965	39

**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.*

Source: New York City Office of Management and Budget

005/006 - Sustainability						
<i>Dollars in Thousands</i>						
	FY24	FY25	FY26	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY26	FY27	FY27-FY26
005 - Spending						
Personal Services	\$0	\$7,200	\$10,857	\$10,632	\$10,646	(\$212)
Full-Time Salaried - Civilian	0	7,071	10,813	10,588	10,602	(212)
Fringe Benefits	0	1	0	0	0	0
Additional Gross Pay	0	110	0	0	0	0
Additional Gross Pay - Labor Reserve	0	3	0	0	0	0
Unsalariated	0	15	44	44	44	0
Subtotal	\$0	\$7,200	\$10,857	\$10,632	\$10,646	(\$212)
006 - Other Than Personal Services						
	\$0	\$607	\$3,385	\$3,619	\$1,573	(\$1,812)
Contractual Services - Professional Services	0	32	2,615	2,685	558	(2,056)
Other Services & Charges	0	575	605	850	948	343
Supplies & Materials	0	0	166	84	67	(99)
Subtotal	\$0	\$607	\$3,385	\$3,619	\$1,573	(\$1,812)
TOTAL	\$0	\$7,808	\$14,243	\$14,252	\$12,218	(\$2,025)
Funding						
City Funds			\$13,103	\$13,103	\$11,535	(\$1,568)
Federal			1,140	1,149	683	(457)
TOTAL	\$0	\$7,808	\$14,243	\$14,252	\$12,218	(\$2,025)
Budgeted Headcount						
Full-Time Positions - Civilian	0	93	112	112	112	0
TOTAL	0	93	112	112	112	0

**The difference of Fiscal 2027 Preliminary Budget compared to Fiscal 2026 Adopted Budget.*

Source: New York City Office of Management and Budget