

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Rafael Salamanca, Jr.
Chair, Committee on Land Use



Report of the Finance Division on the
Fiscal 2020 Preliminary Budget and the
Fiscal 2019 Preliminary Mayor's Management Report for the
Landmarks Preservation Commission

March 7, 2019

Finance Division

Masis Sarkissian, Financial Analyst
Chima Obichere, Unit Head

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director

Nathan Toth, Deputy Director
Paul Scimone, Deputy Director

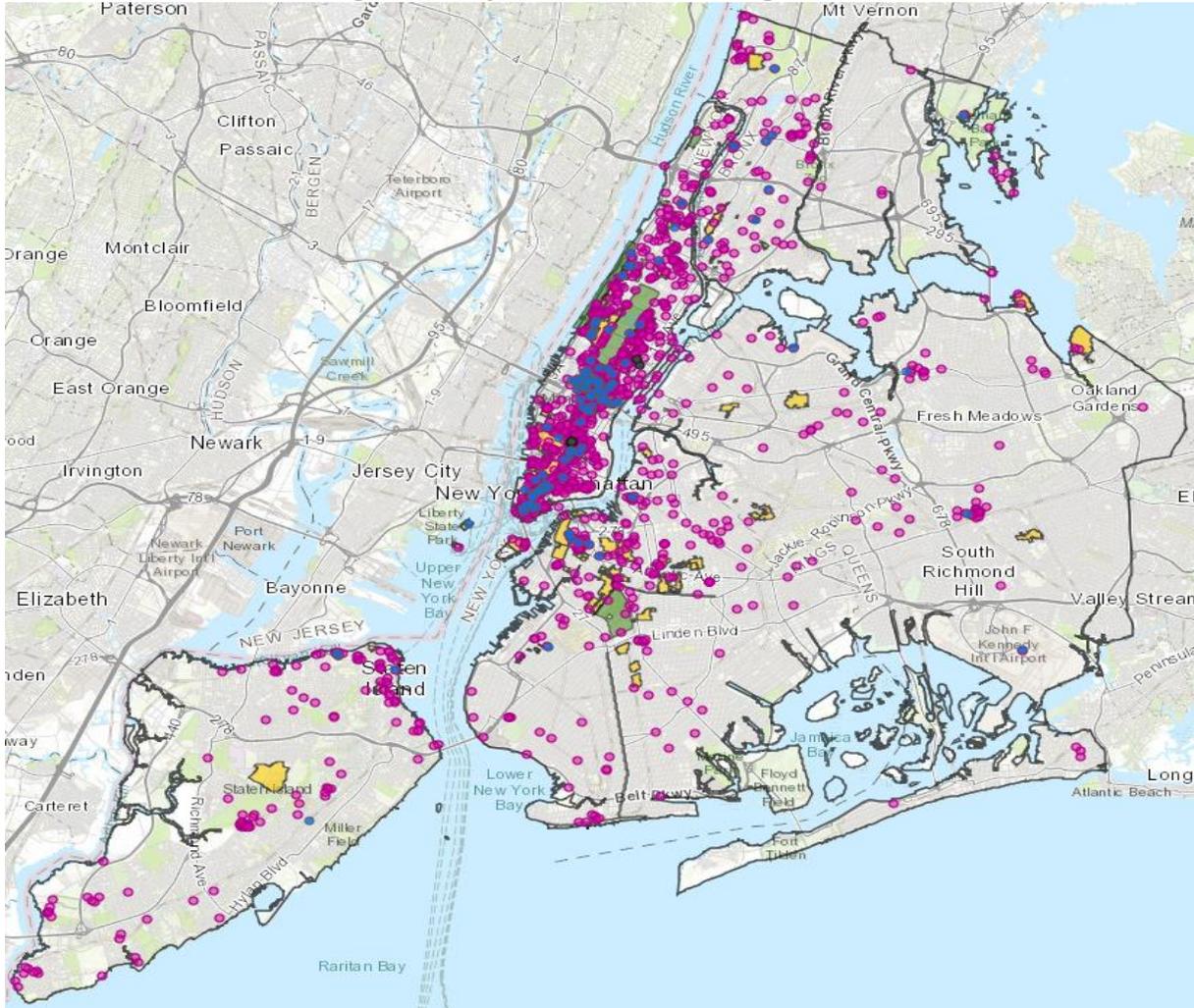
Table of Contents

- Department of Citywide Administrative Services Overview1
- Fiscal 2020 Preliminary Budget Highlights2
- Financial Plan Summary3
- Funding Sources4
- Headcount5
- Contract Budget5
- Miscellaneous Revenue.....6
- Appendices:8
 - A. Budget Actions in the November and the Preliminary Plans8
 - B. LPC Contract Budget8
 - C. LPC Miscellaneous Revenue8

Department of Citywide Administrative Services Overview

The Landmarks Preservation Commission (LPC or the Commission) is the largest municipal preservation agency in the nation. It is responsible for protecting New York City's architecturally, historically, and culturally significant buildings and sites by granting them landmark or historic district status, and regulating them after designation.

Figure 1: Citywide Landmark Designations



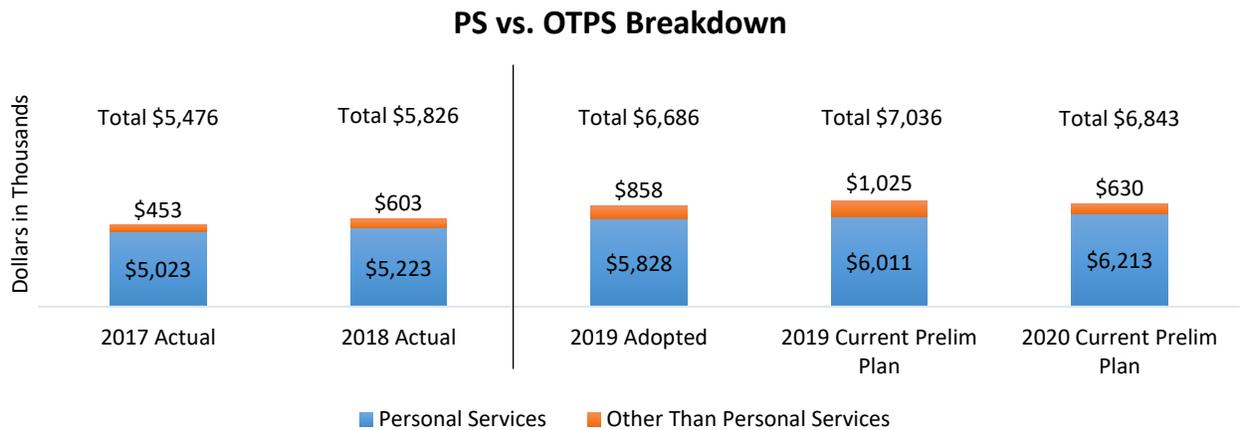
Source: LPC

LPC goals include:

- Stabilize and improve property values;
- Foster civic pride;
- Protect and enhance the City's attractions to tourists;
- Strengthen the economy of the City; and
- Promote the use of historic districts, landmarks, interior landmarks, and scenic landmarks for the education, pleasure and welfare of the people of the City.

Fiscal 2020 Preliminary Budget Highlights

LPC’s Fiscal 2020 Preliminary Budget totals \$6.8 million (including City and non-City funds). The Department’s Fiscal 2020 Preliminary Budget is \$158,000 or nearly 2.5 percent more than the Fiscal 2019 Adopted Budget of \$6.7 million. The Fiscal 2020 budget for LPC include \$6.2 million for Personal Services (PS) costs and \$630,000 for Other Than Personal Services (OTPS) costs. PS includes all full-time and part-time position costs as well as overtime spending, while OTPS includes property, equipment, supplies, and services contracted out to other entities. Since the Fiscal 2019 Budget adoption, PS spending for Fiscal 2019 has increased by \$183,000 or 3.1 percent, while OTPS spending increased by \$167,000 or 19.5 percent.



There is only one key action included in Fiscal 2020 Preliminary Plan for LPC that is in other adjustments.

Collective Bargaining. The Department’s Fiscal 2020 Preliminary Plan includes funding for collective bargaining agreements added since the November 2018 Plan totaling \$184,000 in Fiscal 2019, \$316,000 in Fiscal 2020 and \$364,000 in Fiscal 2021 and in the outyears.

Financial Plan Summary

Table1: Landmark Preservation Commission Financial Plan Summary

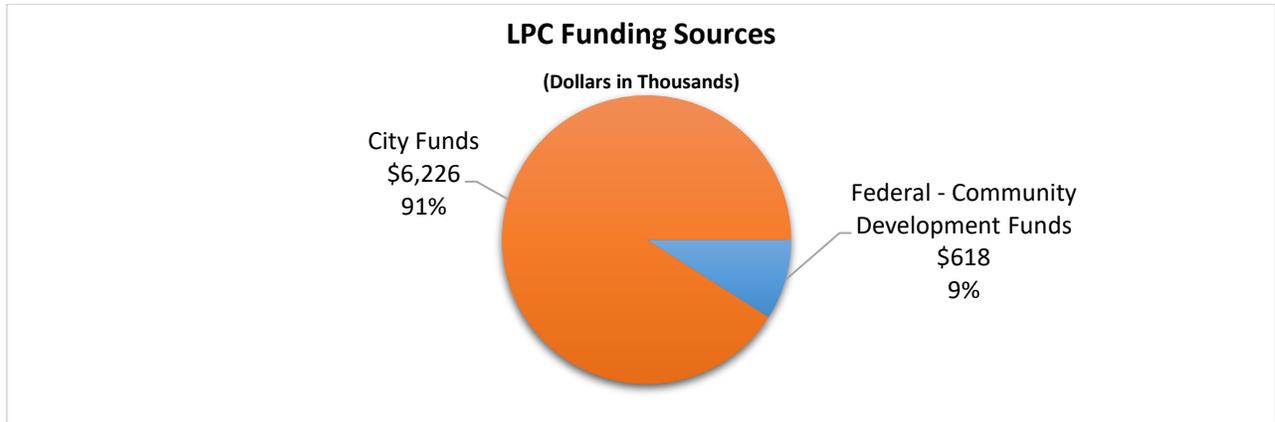
<i>Dollars in Thousands</i>	FY17	FY18	FY19	Current Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Personal Services	\$5,023	\$5,223	\$5,828	\$6,011	\$6,213	\$386
Other Than Personal Services	453	603	858	1,025	630	(228)
TOTAL	\$5,476	\$5,826	\$6,685	\$7,036	\$6,843	\$158
Personal Services						
Additional Gross Pay	\$145	\$104	\$120	\$120	\$127	\$6
Full-Time Salaried - Civilian	4,689	4,887	5,421	5,599	5,790	369
Overtime - Civilian	16	15	7	7	7	0
Unsalariated	174	217	279	285	290	11
Subtotal, PS	\$5,023	\$5,223	\$5,828	\$6,011	\$6,213	\$386
Other Than Personal Services						
Contractual Services	\$133	\$87	\$156	\$293	\$156	\$0
Contractual Services - Profess Services	7	121	55	112	55	0
Fixed & Misc. Charges	0	3	0	3	0	0
Other Services & Charges	165	284	284	277	286	1
Property & Equipment	55	54	43	53	30	(13)
Supplies & Materials	92	53	320	287	104	(216)
Subtotal, OTPS	\$453	\$603	\$858	\$1,025	\$630	(\$228)
Funding						
City Funds			\$6,089	\$6,261	\$6,226	\$136
State			0	52	0	0
Federal - Community Dev			596	723	618	22
TOTAL	\$5,476	\$5,826	\$6,685	\$7,036	\$6,843	\$158
Budgeted Headcount						
Full-Time Positions - Civilian	63	67	76	76	77	1

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.

Since the Fiscal 2019 Adopted Budget, the Financial Plans have introduced several changes to LPC's Fiscal 2019 and Fiscal 2020 Budgets. For Fiscal 2019, these include a \$183,000 increase for collective bargaining costs and state and federal grant rollover totaling \$167,000. For Fiscal 2020, the only change is a \$386,000 increase for collective bargaining costs. Other differences in year over year spending are due to previously scheduled adjustments.

See Appendix A, on page 8 for a breakdown of all actions.

Funding Sources



LPC’s budget is supported through two primary funding sources. Of the total budget, City tax-levy accounts for 91 percent with federal community development block grants accounting for the remaining nine percent. The Fiscal 2020 Preliminary Plan recognizes a total of \$618,000 in federal funding.

Historic Preservation Grant Program Background

Table 2: Number of Historic Preservation Grants Awarded

	FY16	FY17	FY18	FY19
Homeowner Grants	3	2	1	0
Non-profit Grants	1	1	2	3
TOTAL GRANTS AWARDED	4	3	3	3

- LPC’s federally funded Historic Preservation Grant Program provides for grants ranging from \$10,000 to \$30,000 to income-eligible homeowners and non-profits.
- To qualify for a grant: 1) the building must be a designated New York City landmark building located in a historic district or an individual landmark; 2) owners must meet the federal CDBG income limits for household income; and 3) non-profit organizations must own a designated New York City landmark or a building located within a designated historic district, and must be a charitable, scientific, educational, literary, or other entity organized under section 501 (c)(3) of the Internal Revenue Code that can demonstrate the need for financial assistance.
- Also the type of work, nature of property and level of deterioration determines support.
- For applications that meet the CDBG requirements, the Grant Program Board also considers the architectural and historic importance of the building; the building’s condition and the significance of the repairs; the applicant’s financial resources, and the effect the grant will have on improving the building and/or district.
- Eligible façade work includes:
 - Masonry rebuilding and repointing;
 - restoration of façades, sills, lintels;
 - Paint removal; and
 - Stoop repair, and repair and replacement of windows, cornices, and front doors.

Headcount

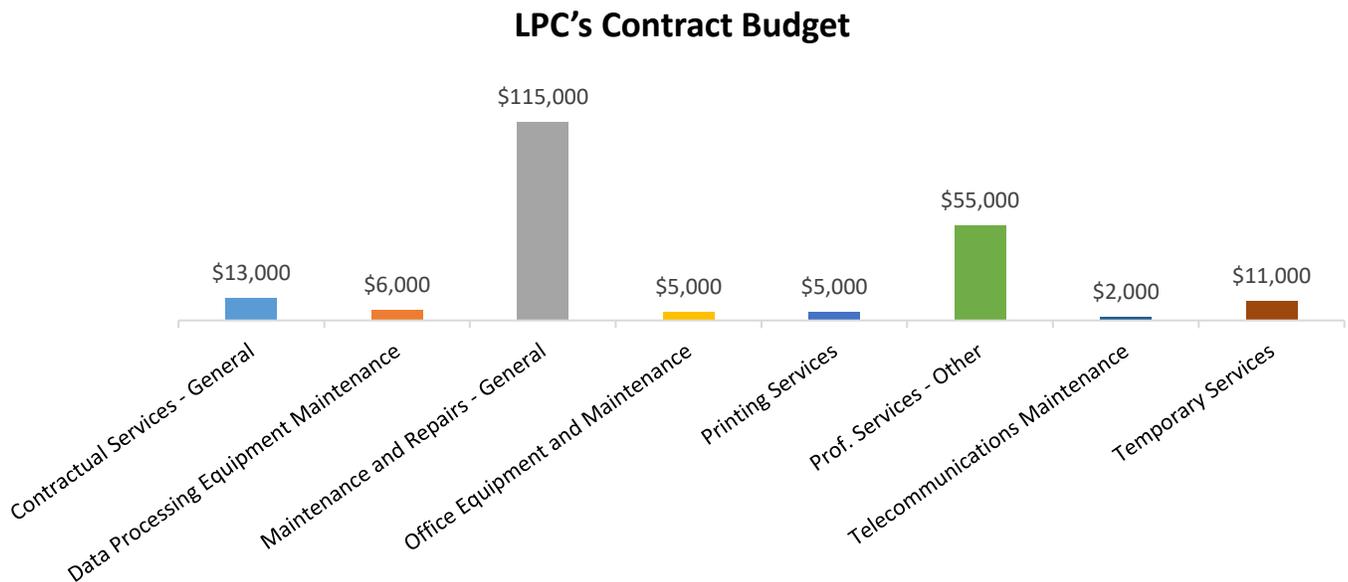
	Fiscal 2019 Budgeted Headcount	Actual Headcount	Under/ (Over)
Full-Time Positions	76	74	2
TOTAL	76	74	2
<i>Note: Actuals are as of January 2019</i>			

The Department’s headcount for Fiscal 2019 has stayed flat since adoption but will increase by one position for a total of 77 positions in Fiscal 2020. As of January 2019, the Department is two positions under its budgeted headcount when compared to the Fiscal 2019 Adopted Budget, as shown in the “LPC Headcount” table.

Contract Budget

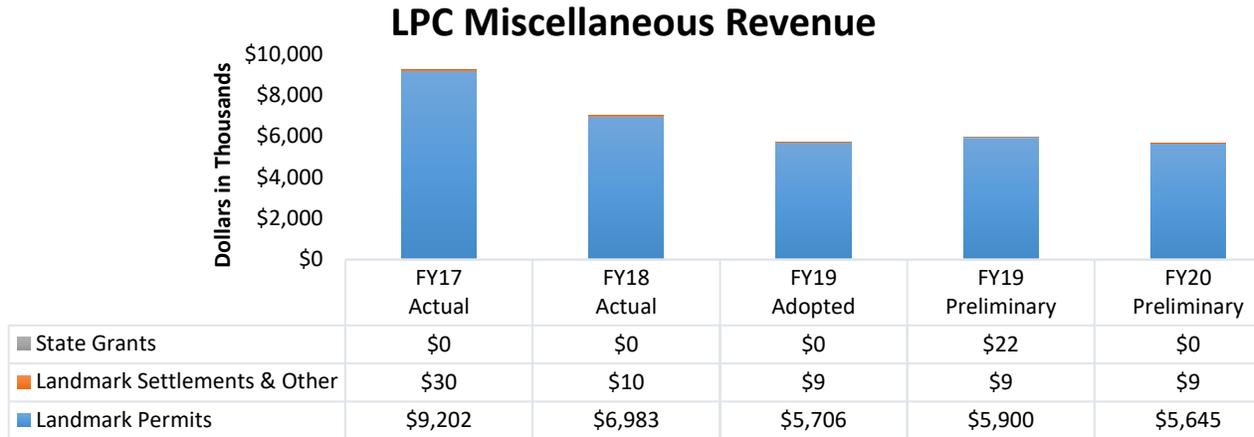
The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is a subset of the OTPS portion of the City’s Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Fiscal 2020 Preliminary Budget totals \$15.9 billion for procurement expenditures across all agencies over 17,655 contracts.

LPC’s Fiscal 2020 Contract budget totals \$211,000 for 20 contracts. Twelve contracts for maintenance and repairs comprise 54 percent of the Department’s total contact budget, with a total of \$115,000 for Fiscal 2020. These contracts are part of LPC’s restoration projects under the federally-funded Historic Preservation Grant Program.



Miscellaneous Revenue

LPC collects revenue from the issuance of landmark permits and landmark settlements. After a rise in applications for work on landmark buildings, in part, due to a resurgence in construction work across the City following the economic downturn, revenue from permits has declined from its Fiscal 2017 peak of \$9.2 million. LPC estimates that the City will realize approximately \$5.6 million in revenue in Fiscal 2020 from the issuance of landmark permits.



PMMR Performance Measures

Performance Indicators	Actual				Target		4-Month Actual	
	FY15	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Individual landmarks and historic districts designated	15	20	30	21	20	20	5	3
Total number of buildings designated	2,013	1,411	324	485	*	*	7	3
Work permit applications received	13,273	13,963	13,874	14,011	*	*	4,686	4,798
Actions taken on work permit applications received	15,446	14,081	13,533	12,563	*	*	4,108	4,505
Certificates of No Effect issued within 10 business days (%)	91%	96%	93%	85%	85%	85%	85%	81%
Expedited Certificates of No Effect issued within two business days (%)	90%	99%	94%	96%	100%	100%	91%	100%
Permits for minor work issued within 10 business days (%)	92%	95%	92%	82%	*	*	83%	81%
Number of complaints received	772	792	677	583	*	*	220	190
Investigations completed	755	997	661	648	*	*	280	148
Enforcement actions taken: Total warning letters, NOVs, and stop work orders issued	1,014	1,221	937	837	*	*	61	184
Violations admitted to or upheld at the OATH Environmental Control Board (%)	98%	98%	98%	98%	*	*	98%	98%
Archaeology applications received	308	297	318	345	*	*	118	134
Archaeology applications reviewed within 10 business days (%)	97%	95%	96%	92%	85%	85%	98%	97%
Letters responded to in 14 days (%)	85%	80%	85%	88%	*	*	97%	87%
E-mails responded to in 14 days (%)	100%	98%	99%	93%	*	*	98%	81%

- In the first four months of Fiscal 2019, the number of work permit application received rose slightly to 4,798 from 4,686 in Fiscal 2018. Actions taken on work permit applications in the first four months of the fiscal year increased from 4,108 in Fiscal 2018 to 4,505 in Fiscal 2019,

as the Commission's new Permit Application Guide continues to assist applicants in filing complete applications, helping to eliminate delays typically caused by requests for additional information.

- In the first four months of Fiscal 2019, enforcement actions taken: total warning letters, NOVs, and stop work orders issued increased from 61 in Fiscal 2018 to 184 in Fiscal 2019, 200 percent increase. Despite the increase, it should be noted that even though LPC enforcement is complaint-driven, there is not a one to one correlation between the number of complaints received and the number of enforcement actions taken. This is the case because after investigation some complaints may be determined to be unfounded and result in no violations.

Appendices:

A. Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	Fiscal 2019			Fiscal 2020		
	City	Non-City	Total	City	Non-City	Total
LPC Budget as of the Adopted FY19 Budget	\$6,089	\$596	\$6,685	\$5,932	\$596	\$6,528
New Needs:						
N/A						
TOTAL, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments:						
Collective Bargaining	\$172	\$13	\$185	\$294	\$22	\$315
CDBG Rollover	0	114	114	0	0	0
CLG ARCH Rollover	0	22	22	0	0	0
CLG OTPS Rollover	0	30	30	0	0	0
TOTAL, Other Adjustments	\$172	\$179	\$351	\$294	\$22	\$315
TOTAL, All Changes	\$172	\$179	\$351	\$294	\$22	\$315
LPC Budget as of the Preliminary FY20 Budget	\$6,261	\$775	\$7,036	\$6,226	\$618	\$6,843

B. LPC Contract Budget

LPC Contract Budget				
<i>Dollars in Thousands</i>				
Contract Type	Fiscal 2019 Adopted		Fiscal 2020 Current Prelim	
	Total Cost of Contracts	Number of Contracts	Total Cost of Contracts	Number of Contracts
Contractual Services - General	\$13	1	\$13	1
Data Processing Equipment Maintenance	6	1	6	1
Maintenance and Repairs - General	115	12	115	12
Office Equipment and Maintenance	5	2	5	2
Printing Services	5	1	5	1
Prof. Services - Other	55	1	55	1
Telecommunications Maintenance	2	1	2	1
Temporary Services	11	1	11	1
TOTAL	\$212	20	\$212	20

C. LPC Miscellaneous Revenue

LPC Miscellaneous Revenue							
<i>Dollars in Thousands</i>							
Revenue Source	FY16	FY17	FY18	FY19	Current Preliminary Plan		*Difference
	Actual	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Landmark Permits	\$7,112	\$9,202	\$6,983	\$5,706	\$5,900	\$5,645	(\$61)
Landmark Settlements and Other	0	30	10	9	9	9	0
State Grants - Categorical	0	0	0	0	22	0	0
TOTAL	\$7,112	\$9,232	\$6,993	\$5,715	\$5,931	\$5,654	(\$61)