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Housing and Buildings Departments Coordinate to Provide Elevator Repairs in Buildings With Repeat Violations

Elevators are a feature of everyday life for many city residents, but until the passage of Local Law 101 this past October, the city was limited in its ability to step in and make repairs in buildings with repeated, serious elevator violations. Local Law 101 allows for coordination between the Department of Buildings (DOB), which oversees elevator inspections, and the Department of Housing Preservation and Development (HPD), which makes emergency repairs to correct the city's most serious housing code violations. To pay for the changes made by the law, \$7 million was added to the Mayor's preliminary budget for HPD to make emergency repairs on residential elevators.

DOB oversees the inspection of elevators in city buildings, including residential buildings. It issues notices of violation and imposes fines on building owners when violations are found. If repairs are not made after multiple inspections, however, the only recourse available to DOB has been to issue further violations and increase fines, which for immediately hazardous elevator issues start at \$1,000 and rise as high as \$25,000 for repeat violations. Issues such as elevator doors not closing properly or inadequate safety mechanisms are considered immediately hazardous.

While DOB has been limited in its ability to ensure elevator repairs are made in a timely manner, the city is able to use its Emergency Repair Program, administered through HPD, to rectify other emergency situations in privately owned, residential housing that are deemed "dangerous to human life and safety or detrimental to health." Through the program, if a landlord fails to correct these housing code violations, the city will make the repairs (or contract out the work) and bill the owner for the cost of the repair and

administrative fees. Emergency situations traditionally have been issues such as lead paint hazards, water leaks, or no hot water.

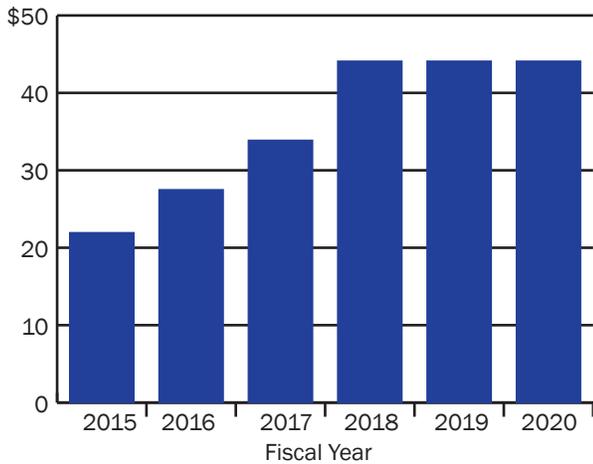
Local Law 101 allows DOB to refer buildings with repeat immediately hazardous elevator violations that are not being corrected by the building owner to HPD to be remedied through the Emergency Repair Program. The specific circumstances that merit such a referral, such as the scope of the repair, the age of the elevator, and the amount of time a violation remains unaddressed, are left to DOB's discretion. Referrals are limited to residential buildings with three or more units where residents are not served by another elevator in the building, and Local Law 101 provides exemptions for convents and rectories, and elevators that only service an owner-occupied unit.

Local Law 101 will take effect at the start of fiscal year 2017. The Mayor added \$7 million in new funds to HPD's 2017 budget for five staff positions, including elevator inspectors and construction project managers, and to cover the cost of elevator repairs. The increase in funds brings the total Emergency Repair Program budget to \$34 million in 2017. No additional funds for elevator repairs were added to HPD's budget beyond 2017, but beginning in 2018 the budget for the entire repair program is already scheduled to rise to \$44 million a year. Given uncertainty over how many referrals HPD will receive for elevator repairs and variation from one year to the next in the volume and the type of emergency repairs that are required, the current budget for the repair program in 2018 and beyond may be sufficient to cover the additional expense of adding elevator repairs to the program.



Total Spending on Emergency Repair Program Increases Through 2018

Dollars in millions



SOURCE: Fiscal Year 2017 Preliminary Budget

NOTE: Costs reflect the projected amount except for 2015, which is actual cost.

New York City Independent Budget Office

While the changes made in Local Law 101 may help ensure that serious elevator problems are rectified, it does not guarantee that the city will necessarily be repaid for its work. The charge and any interest that accrues while the bill is outstanding becomes a lien placed against the property. Despite the liens, the city does not immediately collect on the cost of its emergency repairs. As of February 2016, the city has collected a total of only 37 percent of the amount billed to building owners in 2015 (including interest) for emergency repairs. Eventually most delinquent emergency repair charges are ultimately paid in subsequent years; for example as of February 2016, 87 percent of the charges issued for 2011 emergency repairs have been collected.

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