

Prevailing Wage Law:

New Prevailing Wage Legislation May Impact Your HPD Deals

The New York City Council recently passed Local Law 212 of 2019. The law expands the Prevailing Wage Law requirements for building service employees to certain affordable housing residential projects receiving City financial assistance. See Section 6-130 of the New York City Administrative Code (Prevailing Wage for Building Service Employees in City Leased or Financially Assisted Facilities).

Building Service Employee includes any person, the majority of whose employment consists of performing building service work including but not limited to a watchperson, guard, doorperson, building cleaner, porter, handyperson, janitor, gardener, groundskeeper, stationary fireman, elevator operator and starter, or window cleaner.

Prevailing Wage Requirements

Beginning in April 2, 2020, developers or owners of new construction or preservation residential projects with 120 or more residential units in one or more buildings receiving discretionary City financial assistance of \$1 million or more will be required to pay all building service employees no less than the prevailing wage.

Prevailing Wage: the [Prevailing Wage Schedule](#) is issued annually for building service employees by the New York City Comptroller's Office.

Protected Wage Requirements

Beginning in April 2, 2020, developers or owners of preservation projects receiving discretionary City financial assistance of \$1 million or more will be required to pay all building service employees no less than the protected wage.

A preservation project for the purposes of the protected wage requirement is defined as:

1. a project undertaken by the City to preserve no more than 119 residential units in one or more buildings and receiving discretionary City financial assistance of \$1 million or more; or
2. a project undertaken by the City to preserve 120 or more residential units in one or more buildings that is subject to a regulatory agreement requiring affordability of all residential units for households earning on average of up to 50% AMI and receiving City discretionary financial assistance of \$1 million or more that is solely in the form of a tax benefit; or
3. a project undertaken by the City to preserve 120 or more residential units in one or more buildings that is subject to a regulatory agreement requiring affordability of all residential units for households earning on average of up to 50% AMI and that averages less than \$35k per DU in discretionary City financial assistance of \$1 million or more.

Protected Wage: the protected wage means the rate of wages and cost of benefits paid to a building service employee in a preservation project on the date that the financial assistance for such a project is received plus an annual increase to account for any change in the cost of living and in the cost of providing benefits. The protected wage annual increase will be determined by City agency rulemaking.

Exemptions

The requirements of this law do not apply to converted public housing building service workers and supportive housing projects as defined by the law.

Prevailing Wage Requirements

This law is applicable in City initiated rezoning areas that meet the criteria set forth in the law. In addition, it remains the City's policy to require that, in City initiated rezoning areas, prevailing wage must be paid to all building service employees in new or existing buildings with at least 30 units of residential housing that receive discretionary City financial assistance of \$1 million or more with certain exemptions for preservation projects.

Please review the Prevailing Wage Law FAQ for HPD partners.



Department of
Housing Preservation
& Development

nyc.gov/hpd

Additional Questions? Please contact your HPD Development Program Director.

This document offers the best information available as of January 1, 2020 and is provided solely for your convenience. It does not replace the applicable laws, rules and regulations governing this process. Developers and owners must rely solely on applicable laws and program rules and regulations to ensure compliance.