LOCAL LAW 37 OF 2007
Recent Increase in Illegal Conversion Penalties

In August 2007, Mayor Michael Bloomberg signed Local Law 37 into law, substantially increasing the penalties for illegally converting a manufacturing or industrial space to a residential use. Coupled with changes to the ECB violation system implemented in July 2008 with the enactment of the new NYC Construction Codes, the maximum penalties for a violation now can be as high as $25,000.

The below graph is an example of the increase in penalties:

<table>
<thead>
<tr>
<th>Violation Description</th>
<th>Max. Penalty for 1st Offense (1968 Code)</th>
<th>Max. Penalty for 1st Offense Under LL37 and New Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building in manufacturing district altered for residential use occupied w/o a valid C of O.</td>
<td>$2,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Construction or alteration work w/o a permit in manufacturing district for residential use.</td>
<td>$2,500</td>
<td>$12,000</td>
</tr>
<tr>
<td>Construction work contrary to approved plans in a manufacturing district for residential use.</td>
<td>$2,500</td>
<td>$24,000</td>
</tr>
</tbody>
</table>

WHAT IS AN ILLEGAL CONVERSION?

An illegal conversion is an alteration or modification of an existing building to create an additional housing unit without first obtaining approval from the NYC Department of Buildings.

Examples of illegal conversions include:

- Using a property zoned for manufacturing or industrial use for residential occupancy;
- Creating a housing unit in a building designated for manufacturing or industrial use;
- Adding an apartment in the basement, attic or garage without obtaining approval or permits from the Department of Buildings; or
- Creating a rooming house (single room occupancy) or dividing an apartment into single room occupancies.

WHY ARE ILLEGAL CONVERSIONS HARMFUL?

Illegal conversions pose serious safety risks to residents and to the City’s first responders by creating potentially unsafe living conditions and not complying with Building and Fire codes. They reduce a neighborhood’s quality of life by straining essential services, causing overcrowding and reducing the already-limited amount of industrial and manufacturing space necessary to support local businesses.

WHAT TO DO IF YOU SUSPECT AN ILLEGAL CONVERSION

If you suspect an illegal conversion, call 3-1-1 to have a Buildings Inspector routed to the site to inspect the property. You can also check the legal use of a building by visiting the Buildings Department website and viewing the building’s Certificate of Occupancy through the Department’s Buildings Information System (BIS). BIS is accessible on the right-hand side of the Department’s homepage.

For more information, call 3-1-1 or visit www.nyc.gov/buildings