Department of Finance

City Council Committees on Finance, Aging, and Disabilities

Testimony of

First Deputy Commissioner Jeffrey Shear

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Good morning, Chair Lee, Chair Zhuang, Chair Hanif, members of the committees on Finance, Aging, and Disabilities, and members of the city council.

My name is Jeffrey Shear, and I am the first deputy commissioner of the New York City Department of Finance. Thank you for the opportunity to testify today on legislation affecting the Rent Freeze Program, the Senior Citizen Homeowners' Exemption, and the Disabled Homeowners' Exemption. Joining me today to help answer questions after the testimony are Ryan Murrary, executive deputy commissioner and chief program officer at the Department for the Aging, Alicka Ampry-Samuels, deputy commissioner at Housing, Preservation, and Development, and Nisha Agarwal, commissioner of the Mayor's Office for People with Disabilities.

Taken together, the proposals before the council address an important policy question: how the City can make tax and rent relief more accessible for older New Yorkers and people with disabilities, while ensuring that the programs can be administered effectively.

I will begin with the Rent Freeze Program.

The Rent Freeze Program consists of two benefits: the Senior Citizen Rent Increase Exemption, or SCRIE, and the Disability Rent Increase Exemption, or DRIE, share the goal of helping older New Yorkers and people with disabilities remain in their homes by protecting them from future rent increases.

For eligible tenants, DOF establishes a frozen rent amount. As the authorized regulated rent increases, the tenant generally continues to pay the frozen amount, and the property owner receives a corresponding property tax credit for the difference.

The Rent Freeze Program serves a substantial population. In calendar year 2024, 67,677 New York City households received benefits. That included 50,071 DOF-administered SCRIE households, 6,594 HPD-administered SCRIE households in Mitchell-Lama housing, and 11,012 DRIE households.

Participation increased steadily during much of the last decade before declining during the pandemic. In 2024, enrollment increased by 0.8 percent to 67,677, the first annual increase since 2019.

Expanding awareness has been an important part of DOF's work. DOF's Outreach Unit and Rent Freeze ombudspersons participate in information and enrollment events at senior centers, Rent Freeze clinics hosted by council members and state legislators, and outreach and training sessions with community-based organizations, legal-service providers, and social-service organizations. We have also worked with other City agencies to improve awareness of the program and provide application assistance.

We have worked particularly closely with the Mayor's Public Engagement Unit. Through PEU's Benefits on Your Block initiative, City staff provide eligibility screenings and enrollment assistance in communities across the five boroughs. DOF also provides PEU with information on Rent Freeze participants who have failed to renew on time so that the City can conduct targeted outreach.

We have also sought to reduce administrative barriers. Applicants can now apply and renew entirely online, and DOF has replaced separate initial and renewal applications with a single, streamlined application for most participants. We continue to review and improve Rent Freeze forms, notices, and other materials.

DOF supports Intro. 978-A, which would implement legislative changes enacted by the state legislature to increase the Rent Freeze Program's income ceiling. The recently enacted state budget authorizes New York City to increase the maximum income level for SCRIE and DRIE to $75,000 beginning July 1, 2026. Intro. 978-A would make the corresponding change to the New York City Administrative Code, retroactive to that date.

The increase would recognize that households with income above $50,000 can still face significant rent burdens in New York City. Over time, nominal increases in Social Security, pension income, or wages may have pushed a household outside of the eligibility limits, even when the household's actual economic circumstances have not materially improved.

DOF projects that the higher ceiling would increase enrollment by approximately nine percent, or about 5,000 households across SCRIE and DRIE. The estimated fiscal impact is $4.5 million in the first year, $8.6 million in the second year, and $13 million in the third year.

With regard to Introduction 307, which would require DOF and the Department of Housing Preservation and Development to create universal initial and recertification applications for SCRIE and DRIE, DOF supports the objective of reducing administrative barriers and making it easier for tenants to apply for benefits.

However, the current division of responsibilities between DOF and HPD is not simply a matter of two agencies using different forms. A universal form and online system for all households regardless of type of residence would require substantial technical and operational upgrades and coordination between both agencies with different workflows and payment mechanisms.

We welcome the opportunity to work with the Council and HPD on ways to achieve the bill's underlying goal while ensuring that any new process can be implemented reliably and without creating new delays for applicants.

Two other introductions before the Council concern homeowner exemptions rather than Rent Freeze Program benefits, but they serve a closely related purpose: helping older homeowners and homeowners with disabilities remain in their homes by reducing their property taxes.

The Senior Citizen Homeowners' Exemption, or SCHE, provides a partial reduction of home's assessed value to qualifying senior homeowners. The Disabled Homeowners' Exemption, or DHE, provides similar benefits to qualifying homeowners with disabilities.

These are significant programs. In Fiscal Year 2026, DOF granted 50,912 SCHE exemptions with $1.1 billion in exempt assessed value and an estimated tax expenditure of $190.9 million. DOF also granted 2,500 DHE exemptions in Fiscal Year 2026, with an estimated tax expenditure of $8.5 million.

Introductions 1010 and 934 both would increase SCHE benefits based on recently granted state authority. Intro 1010, which relies on authority that was enacted as part of the State budget, increases the maximum SCHE exemption for lower-income senior homeowners from 50% to 65% starting in FY2028 as well as increasing the income cap to $83,400. Intro 934 relies on state authority that was enacted separate from the State budget at the end of the legislation session. It would move up the start of increasing SCHE benefits from 50% to 65% of property taxes owed to FY2027.

DOF is generally supportive of increasing the income cap and benefits for SCHE. However, at this time, the City's budget has only funded increasing the income cap for SCHE. DOF, therefore, would like to defer our position on Intro 934 and on the benefit level increase in Intro 1010 until budget conditions become clearer for FY2028.

We look forward to working with the Council on each of these bills.

Regarding Intro. 1033, we need time to review the bill and how it would facilitate our communication with customers. Regarding Intro 2458, DOF already provides training to other outreach staff from other agencies and will continue to do so. As such, we don't know if making this an annual requirement is necessary.

Thank you for the opportunity to testify. I would be happy to answer any questions.