

DRAFT RESOLUTION #1:

Community Board 12M Committees

Joint Committee Resolution Housing and Human Services and Committee on Aging

RESOLUTION TO IMMEDIATELY ACCELERATE THE SENIOR RENT INCREASE EXEMPTION (SCRIE) AND DISABILITY RENT INCREASE EXEMPTION (DRIE) APPLICATION, RE-CERTIFICATION, AND TAX ABATEMENT CREDIT PROCESSING AND TO STRENGTHEN AND ESTABLISH INCOME PARITY IN BOTH PROGRAMS WITHOUT LESSENING EITHER



WHEREAS, the New York State Legislature established the Senior Citizen Rent Increase Exemption (SCRIE) program in 1970 to protect low-income tenants aged 62 and over from certain rent increases in rent controlled and rent stabilized apartments

WHEREAS, over the years tenant advocates proposed expanding SCRIE to include low-income disabled tenants who are not senior citizens and in October 2005 the New York State Legislature established the Disability Rent Increase Exemption (DRIE) program, which still protects eligible, less low-income, disabled tenants from rent increases as well, and

WHEREAS, despite the fact that both the SCRIE and DRIE programs are similar in establishing criteria for rent increase freezes where the building owner receives a dollar-for-dollar municipal tax abatement credit to their property tax obligations that reflect a direct compensation the owner for rent increases the tenant will not be paying these programs nevertheless have different eligibility rules and regulations and,

WHEREAS, the DRIE program enables low income people with disabilities to receive an exemption from paying certain increases in their rent the maximum allowable income for one person households is \$19,860 compared to the SCRIE program where the maximum allowable income is \$29,000, and.

WHEREAS, the SCRIE program was administered for many years first by the Department of Housing Preservation and Development (HPD), and then by the Department for the Aging (DFTA) the Office of the Mayor transferred SCRIE to the Department of Finance (DOF) in September 18, 2009 where now SCRIE and DRIE are solely administered by the DOF with the underlying goal of simplifying and centralizing the applications process and,

WHEREAS, housing units covered by the SCRIE Program account for approximately 4% of all NYC rent regulated units where 45.4% or some 986,840 of them are rent stabilized with an average rent of \$1,050 borough wide and 1.8% or some 38,374 of them are rent controlled and the average rent is \$800 borough wide and,

WHEREAS, the SCRIE Program accounted for a tax expenditure of almost \$125 million in the City's property tax benefits for these housing units in FY'11 it also protected almost 40,000 seniors in single and multiple households last year for an average benefit of about \$226 monthly on their rents (for an average yearly savings of \$2,712) and was administered by a minimum staff of two persons in the DOF whose unit received approximately 6,900 initial applications and approximately 17,100 renewals and,

WHEREAS despite processing these total application types extensive problems in outreach and support services on the administrative front end have been reported since the 2009 agency transfer of responsibility to the DOF where these deficiencies have had profound consequences for seniors and people with disabilities living in our district since majority of the city's rent regulated buildings are located in CD 12M, and,

WHEREAS, on September 27th, 2011 public testimony was given at a Senior Citizens Rent Increase Exemption (SCRIE) Oversight Hearing held by a Joint Session of the NYC City Council Finance and Aging Committees by the Commissioner for the NYC's Department of Finance and information was also provided by professionals and advocacy organizations, and

WHEREAS, on November 22nd, 2011 public testimony was given and information provided by professionals and advocacy organizations on a public hearing of the NYS Assembly's Committee on Aging and Committee on Housing that was called, to examine the impact of recent changes in New York City's administration of the SCRIE Program, and

WHEREAS, on February 2nd, 2012 public testimony was given in detail by the Director for Business and Community Outreach in the DOF on the current administration of the SCRIE program and on April 5th, 2012 a public hearing was held by CB12M's Committee on Housing and Human Services and the Committee on Aging where information provided by professionals, advocacy organizations, and the public, and

WHEREAS, this testimony has shown that while the goal of the transfer was to streamline the SCRIE program and improve efficiency, the program is not being run as well as it should as too many seniors have faced hardships navigating the new system where a senior is vulnerable to losing their rent benefit because of bureaucratic mishaps and red tape and the need to bring about real changes to this important program, and

WHEREAS other testimony from several elected officials, community leaders and senior citizen advocates has shown some unintended consequences resulting from the change in oversight to the DOF where according to the witnesses, the DOF experienced a major backlog in processing applications that resulted in applications not being processed timely and accurately and in some cases, applications were held for more than a year before being processed, and forcing seniors to pay their full and non-SCRIE rent, and

WHEREAS, testimony has also shown that there have been serious and detrimental delays in processing new applications and renewals by the NYC Department of Finance people with disabilities have been left financially vulnerable in efforts to pay their full and non-SCRIE rent, and,

WHEREAS, similar complaints have been voiced by the Rent Stabilization Association, a major lobbying group for landlords about not only delays in the processing of new and renewal applications but also the failure the DOF to provide any reports on an owner's SCRIE/DRIE Tax Abatement Credit (TAC) unless requested by the owner and the failure to provide a direct phone number other than 311 for owners to call, and,

WHEREAS, there are reports that a few landlords / owners have taken an unfair advantage of these processing delays and mishaps by either failing to send timely lease renewals to SCRIE/DRIE eligible tenants or engaged in constructive evictions for nonpayment as a consequence, and,

WHEREAS, the Commissioner of the DOF for its part has admitted to excessive delays and that the department's initial processing was flawed, and tenants, landlords and the NYC City Council and the NYS Assembly were legitimate critics of their efforts the DOF claimed they were overwhelmed with a significant backlog of applications, and

WHEREAS, the Commissioner of the DOF also claimed that the backlog was now eliminated and that almost all SCRIE applications and renewals are processed within 25 days and that the DOF promptly responds with an approval, rejection or a written request for any missing information this contention is still in dispute with both tenant and landlord advocacy groups, and.

WHEREAS, the Commissioner of the DOF gave further testimony of interest to landlords that the department has corrected the TAC that is reported on a landlord's Statement of Account (SOA), as a credit against their property tax bill and now provides online access to view this report, and

WHEREAS, the City Comptroller's recent audit of the SCRIE program found approximately 3,800 deceased SCRIE beneficiaries still receiving a benefit the DOF claims they have now greater controls in place to ensure the proper revocation of the SCRIE benefit upon a recipient's death by matching all active SCRIE recipients against the Social Security Administration's Death Master File, and

WHEREAS, this testimony has clearly shown that while the DOF has solved back end administration of oversight issues with an enhanced computerized accounting and database systems it has not solved the front end administration of outreach and support services that seniors and people with disabilities require with the understaffed two person team they have provided for these problems and their over reliance on 311 call-in responses where in the past there was an otherwise adequately working system with nearly forty staff members in the DFTA with experienced in handling a similar workload of outreach, new

applications and the re-certification/renewal process of SCRIE and DRIE before this responsibility was transferred to DOF in 2009, and

WHEREAS, testimony has also shown that there are still serious and detrimental delays in processing new applications and renewals by the DOF where senior citizens and people with disabilities have been left financially vulnerable in efforts to pay their full and non SCRIE or non DRIE rent, and

THEREFORE BE IT RESOLVED THAT, Community Board 12M requests the New York City Council, the NYS Legislature, the NYC DOF, and the Office of the Mayor to take effective steps to insure that all applications and re-certifications for the SCRIE and DRIE programs are accelerated and processed within a thirty day (30) period from the date the application or re-certification is received to the date of final approval, and

BE IT FURTHER RESOLVED THAT, Community Board 12M requests the New York City Council to restore the front end administrative part of the application process that consists of outreach and support services of the SCRIE Program back to the New York City Department of Aging, with the new back end administrative financial oversight part retained in the DOF, and

BE IT FURTHER RESOLVED THAT, Community Board 12M request the New York City Council to move the front end administrative part of the application and re-certification process that consists of outreach and support services of the DRIE program from DOF and placed it into the Mayor's Office of People With Disabilities (MOPD) with the ~~new~~ back end administrative financial oversight part retained in the DOF, and

BE IT FURTHER RESOLVED THAT, Community Board 12M requests the New York City Council and the NYS Legislature to provide all necessary financial and capital funding to support the SCRIE and DRIE programs so as to assure that all applications are processed in an expeditious manner and to prevent the loss of financial benefits due any eligible recipient, and

BE IT FURTHER RESOLVED THAT, Community Board 12M requests any such funding be applied solely to a significantly augmented staff designated specifically for SCRIE AND DRIE responsibilities at the same or higher levels prior to the 2009 transfer of SCRIE to the DOF, and

FINALLY BE IT RESOLVED THAT, Community Board 12M requests the City and State to increase the maximum allowances and eligibility standards of DRIE to the same as SCRIE, so as to strengthen but not lessen the rent exemptions in both programs.

Voting	Housing and Human Services Committee Members	Committee on Aging Members	Community Board 12 Members	Public Attending the Meeting
YES	4	3	2	11
NO	0	0	0	0
ABSTENTIONS	0	0	0	0

Passed in Committee Unanimously on April 5th, 2012.