



ANNUAL REPORT

THE NEW YORK CITY SCRIE AND DRIE
OMBUDSPERSONS

OCTOBER 2, 2017

BILL DE BLASIO, MAYOR ● JACQUES JIHA, PH.D., COMMISSIONER

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Fiscal Year 2017 Annual Report

Executive Summary

The New York City Department of Finance (“DOF”) established the Senior Citizen Rent Increase Exemption (“SCRIE”) and Disability Rent Increase Exemption (“DRIE”) ombudsperson positions pursuant to local law in 2015.¹ The two ombudspersons are located within the Office of the Taxpayer Advocate.

The ombudspersons respond to inquiries, investigate complaints, identify systemic issues, and make recommendations to the commissioner regarding the administration of SCRIE and DRIE, collectively known as the Rent Freeze program. The annual activities of the ombudspersons are summarized in an annual report which is required to be submitted to the city council by October 1 each year.

From July 1, 2016, through June 30, 2017, the ombudspersons assisted 1,689 members of the public, a marked increase of 62.1% over the same period last year. A number of factors have contributed to this increase, including robust outreach efforts by the Mayor’s Office and the department. The Mayor’s Office developed and executed citywide television, radio, and print advertisements for the Rent Freeze program, and the administration has also funded door-to-door outreach in targeted areas to raise awareness of the program and help renters with the application process. The Department of Finance has also implemented a number of administrative changes to the operations of the Rent Freeze program which has made it easier for tenants to apply for benefits. In addition, there have been legislative changes to the Rent Freeze program which have resulted in the ombudspersons’ increased engagement with tenants to assist in understanding how these changes have impacted their eligibility for benefits.

The ombudspersons wish to thank the commissioner for his support.

I. Overview

A. Operations of SCRIE and DRIE Ombudspersons

The ombudspersons assist tenants and tenant representatives in applying for and obtaining Rent Freeze benefits. This includes explaining eligibility requirements and the documentation required to process Rent Freeze applications. The ombudspersons actively engage in public outreach and attend senior- and disability-related outreach events and activities sponsored by the department’s Office of External Affairs and the New York City Taxpayer Advocate. Members of the public can visit the ombudspersons on a walk-in basis, or they can reach the office by telephone, by

¹ New York City Administrative Code § 11-137.

e-mail, or via a contact page on the department's website. Contact information for the ombudspersons is included in all required Rent Freeze program forms and notices.

The ombudspersons are able to resolve inquiries within 10 days and will refer matters unrelated to SCRIE and DRIE to the responsible units within DOF. When necessary, the ombudspersons will open a formal case to resolve difficult issues.

Nearly 99% of the inquiries received by the ombudspersons for fiscal year 2017 were received through the SCRIE and DRIE ombudsperson webmail boxes or via 311 referral.

B. Legislative and Administrative Changes Impacting SCRIE and DRIE

Legislation:

Three bills with a direct impact on the Rent Freeze program were passed in fiscal year 2017.

- Legislation allowing tenants whose income exceeded the eligibility threshold for a single year to return to the program at their previous benefit level if they become eligible in subsequent years. ^[1]
- Legislation that allows seniors and people with disabilities who have been approved for SCRIE or DRIE benefits for five consecutive benefit periods to renew without providing detailed income information. ^[2]
- Legislation making United States Postal Service disability pension recipients eligible for DRIE benefits. ^[3]

DOF Administrative Changes:

In fiscal year 2017, DOF made several administrative changes to increase participation in and improve the operations of the Rent Freeze program.

- DOF established a Property Exemption Administration-Community Assistance Program ("PEA-CAP") that is focused on building partnerships and conducting more targeted outreach on behalf of SCRIE and DRIE.
- DOF established a Compliance unit within the Property Exemption unit to handle all Rent Freeze appeals, allowing for a more complete separation of application processing and appeal determinations.
- DOF has launched a pilot program through which Rent Freeze staff provide application assistance one day a week at the agency's Brooklyn and Bronx Business Centers from 9:00 a.m. to 4:00 p.m., and Monday through Friday during regular business hours at the Staten Island and Manhattan centers. More information is available on the Freeze Your Rent webpage at <http://www1.nyc.gov/site/rentfreeze/help/help-temporary-centers.page>.

^[1] Ch. 343, Laws of 2016

^[2] Ch. 442, Laws of 2016

^[3] Ch. 392, Laws of 2016

II. Statistics for the Reporting Period from July 1, 2016, to June 30, 2017

In fiscal year 2017, the ombudspersons saw an increase of 62% in their total work volume from the previous year. One contributing factor was the implementation of automatic call transfer from 311 to the ombudspersons' direct line.

The charts below show the breakdown of referrals received from 311 and via e-mail. Inquiries to the ombudspersons increased by 84% and cases increased by 1% between fiscal years 2016 and 2017. Phone transfers from 311 accounted for 59.9% of the ombudspersons' total volume in fiscal year 2017.

Fiscal Year 2017 SCRIE and DRIE Combined % Inquiries and Cases

SCRIE/ DRIE	Inquiries	Cases	Totals	% Inquiries	% Cases
311 Phone Calls	856	156	1,012	84.6%	15.4%
E-Mail	549	128	677	81.1%	18.9%
Total	1,405	284	1,689	83.2%	16.8%

Fiscal Year 2016 SCRIE and DRIE Combined % Inquiries and Cases

SCRIE/ DRIE	Inquiries	Cases	Totals	% Inquiries	% Cases
311 Phone Calls	379	75	454	83.5%	16.5%
E-Mail	382	206	588	65.0%	35.0%
Total	761	281	1,042	73.0%	27.0%

Fiscal Year 2017 SCRIE Inquiries and Cases

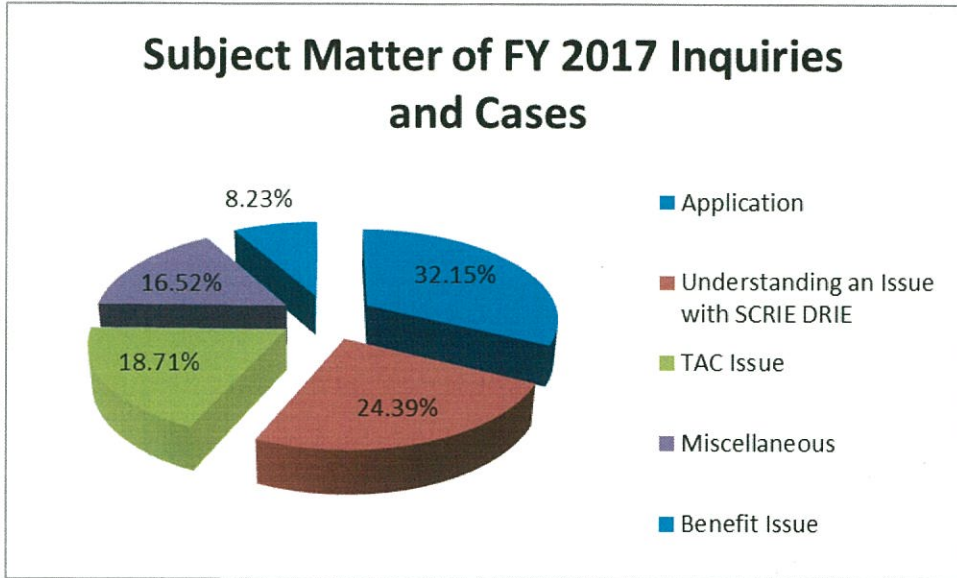
SCRIE/ DRIE	Inquiries	Cases	Totals	% Inquiries	% Cases
311 Phone Calls	640	112	752	85.1%	14.9%
E-Mail	388	87	475	81.7%	18.3%
Total	1,028	199	1,227	83.8%	16.2%

Fiscal Year 2017 DRIE Inquiries and Cases

DRIE	Inquiries	Cases	Totals	% Inquiries	% Cases
311 Phone Calls	216	44	260	83.1%	16.9%
E-Mail	161	41	202	79.7%	20.3%
Total	377	85	462	81.6%	18.4%

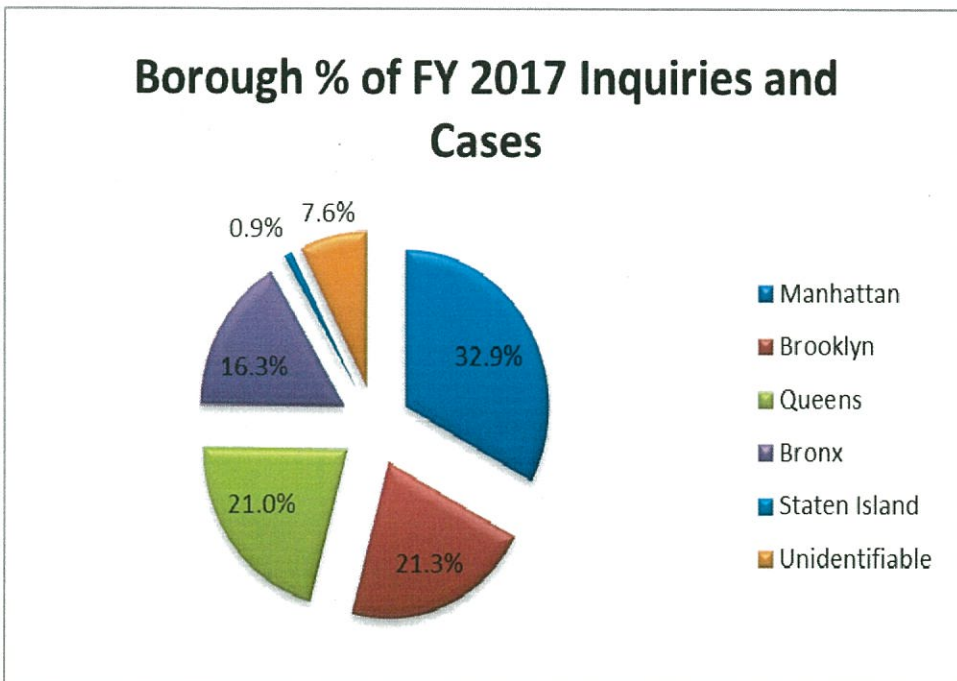
A. Ombudspersons Subject Matter Inventory

The ombudspersons' work can be divided into five categories. Most of their work in fiscal year 2017 (32.2%) was related to the application process.



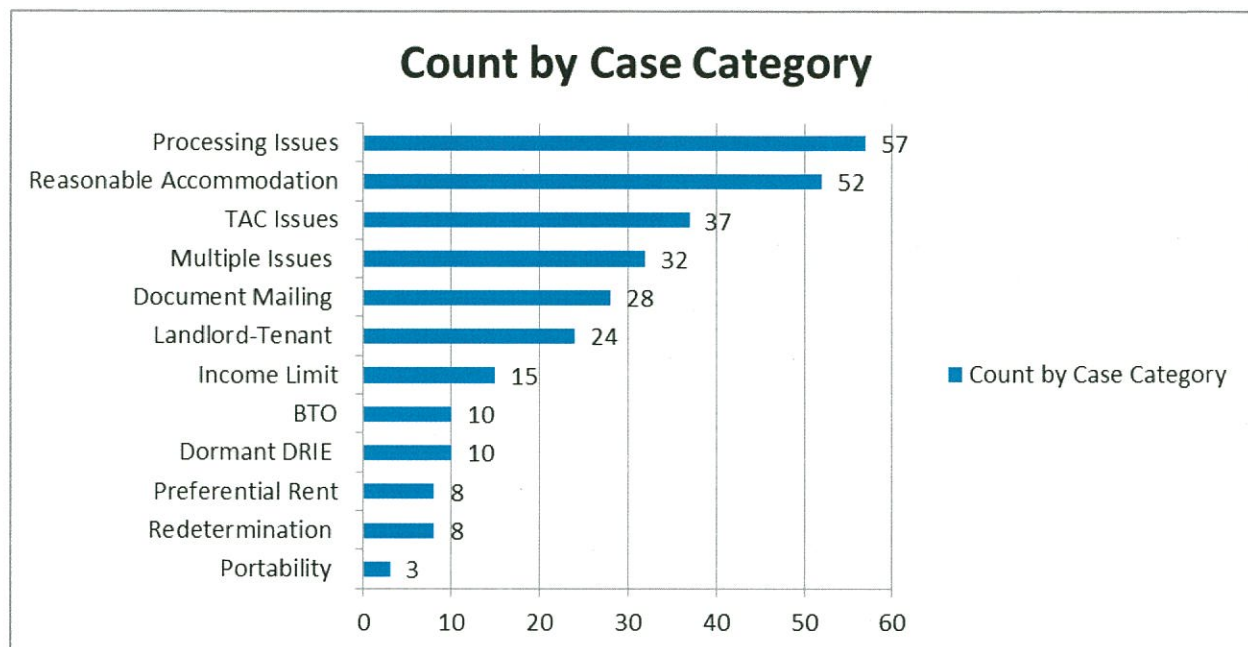
B. Source of Work by Borough

Because Rent Freeze benefits are primarily available to tenants in rent-stabilized and rent-controlled apartments, the ombudspersons do most of their work in the boroughs with the highest number of such units.



C. Breakdown of Case Categories for Fiscal Year 2017

The 284 cases in fiscal year 2017 have been grouped into the following case categories:



Processing Issues. Processing issues are broadly defined as cases in which documents establishing eligibility are not clear or properly identified by the Rent Freeze unit and additional effort is required to complete the application.

Reasonable Accommodation. The department provides reasonable accommodations to applicants who need additional time to complete an application due to a disability. These cases are handled through the Department of Finance’s disability service facilitator.

Tax Abatement Credit (“TAC”) Issues. TAC issues involve landlords or tenants seeking to verify that TAC benefits are properly reflected on a statement of account or property tax bill, or where an adjustment to frozen rent is sought.

Multiple Issues. Cases which involve more than one issue.

Document Mailing. These cases arise when documents are lost in the mail or cannot be located.

Landlord-Tenant. These cases involve various issues, including the need for a countersigned lease and confusion over what happens to Rent Freeze benefits when a property is sold.

Income Limit. These cases involve applicants who may not be eligible for benefits because their annual income exceeds \$50,000 and/or they spend less than one-third of their monthly income on rent.

Benefit Takeover (“BTO”). These cases refer to tenants seeking to take over benefits from a program participant who has died or permanently vacated the premises.

Dormant DRIE. Dormant DRIE cases concern tenants whose benefits were never properly revoked and are eligible to have their benefits reinstated.

Preferential Rent. These cases require DOF to determine whether the lease language or housing type allows the Rent Freeze program to freeze the beneficiaries' rent at the preferential rent amount instead of the legal rent amount.

Redetermination. These cases relate to tenants who are seeking a redetermination after a finding that a decrease in income was not a permanent decrease.

Portability. These cases refer to the transfer of Rent Freeze benefits to a new apartment.

III. Recommendations

A. *Implementation and Status of Fiscal Year 2016 Recommendations*

In the 2016 annual report, the ombudspersons made several recommendations for corrective measures. A summary of those recommendations and the department's responses are below.

Tenant Representative:

Increase the number of tenant representatives and continue to stress the importance of having a second individual receiving Rent Freeze communications.

DOF continues to seek the assistance of advocacy groups in ensuring that tenants who need representatives are able to get them. The FAQ section of the Rent Freeze application has been updated to stress the importance of having a tenant representative, and all program applications and pending notices provide space for a tenant representative to register.

Enhanced Communication:

Establish a direct customer service phone line for SCRIE or DRIE program participants.

DOF has requested additional staffing for customer interaction as part of its new needs for fiscal year 2018. The additional staff will field rent increase exemption inquiries that cannot be resolved by 311.

Landlord-Tenant Issues:

Pursue a relationship with the New York State Department of Homes and Community Renewal ("DHCR") to locate potential eligible tenants.

DOF has worked with DHCR to identify potential eligible tenants in regulated housing, and, as a result, DOF now receives information on a building-wide level. However, DHCR has indicated that it cannot provide unit-level information due to privacy concerns.

Document Mailing:

Develop an online application and document management system.

The Department of Finance’s tenant portal project will have a public-facing online application feature. The project is currently in the business requirements gathering stage. A timeline will be established for the portal’s development and rollout.

Program Rules and Standard Operating Procedure:

Develop an SOP to provide uniform processing rules and increase transparency.

DOF has established a detailed and comprehensive SOP.

Training:

Ensure proper training for DOF staff.

DOF has completed and continues to provide:

- Reasonable accommodation sensitivity training
- Social Security Administration benefit training
- Cross-training for staff to process both SCRIE and DRIE renewal applications
- Ongoing staff trainings targeted at skill building and proactive actions

In addition, two new staff members have been cross-trained in advanced adjustments.

Preferential Rent:

Provide information regarding the definition and use of “preferential rent.”

DOF has upgraded and enhanced its internal system to capture more detailed information on preferential rent.

Process Improvements:

Pursue process improvements centering on data and technological improvements.

DOF will improve the Rent Freeze program by developing the tenant portal. The agency is also attempting to establish a direct feed of benefit information from the Social Security Administration to reduce processing time.

B. Recommendations for the Current Reporting Period, Fiscal Year 2017

Preferential Rent:

During fiscal year 2017, 67 tenants contacted the ombudspersons with questions regarding how preferential rent is determined and why their frozen rent was higher than their preferential rent.

Recommendation:

The ombudspersons recommend that Rent Freeze applications and other materials clearly define preferential rent and how frozen rents are determined when a preferential rent lease rider is involved.

Benefit Takeover (“BTO”):

During fiscal year 2017, the ombudspersons handled 10 cases and fielded 23 inquiries from tenants who were determined to be ineligible for a BTO because they were not listed as a household member or were not able to get a lease in their name.

Recommendation:

DOF should include language on initial and renewal applications regarding what is needed for a successful BTO application.

Expiring Docket Sharing with HRA:

There are opportunities for enhanced communication and partnership between the Department of Finance and the NYC Human Resources Administration (“HRA”) regarding the Rent Freeze program.

Recommendation:

DOF should explore the feasibility of providing HRA with a list of tenants whose benefits are expiring. This list could be distributed to case workers and Rent Freeze specialists who could then proactively assist tenants through the renewal process.

Permanent Loss of Income:

The circumstances under which a redetermination may be granted based on a permanent loss of income are provided in the Rent Freeze program’s tenant guide booklet. Death and most retirement situations will be deemed to be a permanent loss of income.

Recommendation:

DOF should ensure that all program participants are aware of what constitutes a permanent loss of income.

Standardize the Calculation of Income

DOF has incorporated a Pre-Qualifying Income Worksheet to assist applicants in the computation of income for benefit eligibility. However, determining the correct income for benefit purposes is often confusing for applicants. Accordingly, DOF has drafted legislation to standardize the calculation of income.

Recommendation:

DOF should continue to work toward standardizing the definition of income for benefit purposes.

Pending Notices:

The ombudspersons have observed instances where applicants are asked to submit information that is not relevant or applicable to them.

Recommendation:

The current notice that is sent when an application is incomplete should clearly specify which additional documents the applicant must submit. If this change is not possible, the SCRIE-DRIE unit should add language to the pending notices explaining that not all documents listed as pending may be applicable to the applicant.

Dollar Impact of SCRIE DRIE Ombudspersons

City Council District	# of Cases per District	Dollar Impact of Ombudsperson Action for Current Lease Term	City Council Person	Borough	Ranking By # of Interactions
1	5	\$6,646	Margaret Chin	Manhattan	31
2	12	\$45,147	Rosie Mendez	Manhattan	6
3	12	\$22,194	Corey Johnson	Manhattan	21
4	9	\$14,694	Daniel Garodnick	Manhattan	25
5	15	\$47,194	Ben Kallos	Manhattan	5
6	15	\$61,619	Helen Rosenthal	Manhattan	3
7	6	\$61,463	Mark Levine	Manhattan	4
8	6	\$5,279	Melissa Mark-Viverito	Manhattan / Bronx	33
9	10	\$39,075	Bill Perkins	Manhattan	7
10	31	\$128,988	Ydanis Rodriguez	Manhattan	1
11	7	\$24,223	Andrew Cohen	Bronx	16
12	3	\$0	Andy King	Bronx	43
13	0	\$0	James Vacca	Bronx	44
14	8	\$24,036	Fernando Cabrera	Bronx	18
15	11	\$36,980	Ritchie Torres	Bronx	8
16	9	\$24,295	Vanessa Gibson	Bronx	15
17	3	\$6,272	Rafael Salamanca Jr.	Bronx	32
18	2	\$862	Annabel Palma	Bronx	39
19	2	\$20,917	Paul Vallone	Queens	23
20	1	\$7,036	Peter Koo	Queens	29
21	7	\$26,058	Julissa Ferreras-Copeland	Queens	13
22	2	\$22,880	Costa Constantinides	Queens	19
23	4	\$2,269	Barry Grodenchik	Queens	35
24	3	\$507	Rory Lancman	Queens	41
25	6	\$21,799	Daniel Dromm	Queens	22
26	8	\$16,645	Jimmy Van Bramer	Queens	24
27	2	\$519	I. Daneek Miller	Queens	40
28	3	\$10,267	Vacant	Queens	28
29	5	\$11,834	Karen Koslowitz	Queens	27
30	3	\$6,886	Elizabeth Crowley	Queens	30
31	0	\$0	Donovan Richards	Queens	45
32	0	\$0	Eric Ulrich	Queens	46
33	1	\$1,591	Stephen Levin	Queens	37
34	4	\$0	Antonio Reynoso	Queens / Brooklyn	47
35	9	\$25,720	Laurie Cumbo	Brooklyn	14
36	5	\$1,340	Robert Cornegy Jr.	Brooklyn	38
37	1	\$327	Rafael Espinal Jr.	Brooklyn	42
38	1	\$1,692	Carlos Menchaca	Brooklyn	36
39	5	\$3,010	Brad Lander	Brooklyn	34
40	6	\$24,177	Mathieu Eugene	Brooklyn	17
41	5	\$26,787	Darlene Mealy	Brooklyn	12
42	0	\$0	Inez Barron	Brooklyn	48
43	5	\$27,430	Vincent Gentile	Brooklyn	11
44	4	\$28,873	David Greenfield	Brooklyn	10
45	3	\$13,290	Jumaane Williams	Brooklyn	26
46	1	\$0	Alan Maisel	Brooklyn	49
47	6	\$31,019	Mark Treyger	Brooklyn	9
48	14	\$94,253	Chaim Deutsch	Brooklyn	2
49	0	\$0	Deborah Rose	Staten Island	50
50	4	\$22,787	Steven Matteo	Staten Island	20
51	0	\$0	Jospeh Borelli	Staten Island	51
Total	284	\$998,879			