



Department of Finance

Preston Niblack, Commissioner

ANNUAL REPORT

The SCRIE and DRIE Ombudspersons
New York City Rent Freeze Program

The NYC Office of the Taxpayer Advocate

October 1, 2024

Table of Contents

Executive Summary	1
Part I: Introduction	3
A. Rent Freeze Program Overview	3
B. Establishment of Ombudsperson Positions and Reporting Requirements	3
C. Operations of the Rent Freeze Program Ombudspersons	4
Part II: Recommendations from the Current Reporting Period, Fiscal Year 2024	5
A. Administration and Operations	5
1. Enhanced 311 SCRIE-DRIE Application Lookup	5
2. Auto-Response Email	6
3. Benefit History via Tenant Access Portal (TAP).....	6
4. Appeals	6
B. Program Elements	7
1. Low-Income Safeguards for “One-Third Rule”	7
2. Frozen Rent Adjustments under “One-Third Rule”	8
3. Benefit Takeover Eligibility Grace Period	10
4. Redetermination Alignment with Benefit Takeover.....	10
5. Relocation for Disability Accommodation	11
C. Outreach Timed with Rent Guidelines Board’s Annual Apartment Order	12
Part III: Rent Freeze Program Case and Inquiry Statistics for Fiscal Year 2024	13
A. Total Inventory of Cases and Inquiries	13
B. Cases and Inquiries by Source.....	13
C. Cases and Inquiries by Subject Matter	14
D. Cases and Inquiries by Borough.....	17
E. Dollar Impact of Ombudspersons’ Work	18
Part IV. Ongoing Developments	19
A. Deadline for Renewals Delayed by Pandemic	19
B. Outreach and Training	19
C. Forms Committee and TAP Renewals.....	20

D. Tenant Protection Cabinet.....	20
E. Legislation.....	21
1. Changes to Income Definition	21
2. Rule Language Regarding Annual Retirement Benefit Increases	21
3. Notable Proposals in the New York State Legislature’s 2023-24 Session.....	21
(a) Higher Income Limit and Annual Consumer Price Index Adjustment.....	21
(b) Income-Based Frozen Rent Calculation	22
(c) Notification Requirements	22
(d) Language Services	22
(e) Two-Year “Income Spike”.....	22
(f) Program Expansion Based on Rent-to-Income Ratio	23
Part V: Success Stories.....	24
Part VI: DOF Actions on Prior Recommendations	27
APPENDIX I: Case and Inquiry Dollar Impact by City Council District.....	31
APPENDIX II: Glossary of Terms	33

New York City Office of the Taxpayer Advocate

The SCRIE and DRIE Ombudspersons Fiscal Year 2024 Annual Report (Reporting Period: July 1, 2023 – June 30, 2024)

Executive Summary

The Senior Citizen Rent Increase Exemption (SCRIE) ombudsperson and Disability Rent Increase Exemption (DRIE) ombudsperson positions were created by the New York City Council in 2015 to investigate and address issues concerning the Rent Freeze Program.¹ The ombudspersons are situated within the Office of the Taxpayer Advocate (OTA) in the Department of Finance (DOF). As part of their duties, the ombudspersons provide data regarding their work at the end of each fiscal year and make annual recommendations to the commissioner of DOF regarding Rent Freeze Program operations. In the following pages, the ombudspersons deliver their ninth annual report on the New York City Rent Freeze Program. This report covers the period beginning July 1, 2023, and ending June 30, 2024.²

During the reporting period, the number of matters directed to the ombudspersons continued the upward trend that began in 2022. As in prior years, participants who communicated with the ombudspersons emphasized the importance of the Rent Freeze Program to their housing security. In recognition of delays caused by COVID-19 restrictions, DOF, in spring 2020, instituted a moratorium on terminating the benefits of tenants who were unable to renew. In a process that began in the prior reporting period and ended in 2024, DOF lifted the moratorium and notified tenants that those benefits would now be revoked, although the revocation could be lifted under certain conditions. This revocation and possible reinstatement process contributed to a higher-than-normal volume for the application review unit and heavy demand for customer service. While processing times decreased compared to the prior reporting period, tenants and their advocates expressed ongoing concerns regarding the quality of DOF's direct Rent Freeze customer service, whether by phone or email.

Many of this year's recommendations address current program elements that, in the ombudspersons' view, unintentionally contravene the intent of the program, either by excluding potential applicants or diminishing the relief that the program is meant to provide. Other recommendations in this report build on the aim of prior recommendations to eliminate barriers and delays in program administration, especially in terms of participants' access to their own application status and benefit details. All recommendations align with DOF's ongoing

¹ The Rent Freeze Program comprises both SCRIE and DRIE. References in this report to the "program" will mean the Rent Freeze Program.

² The twelve-month period beginning July 1, 2023 and ending June 30, 2024 is both the ombudspersons' reporting period and DOF's fiscal year 2024. This period may be referred to in this report as the "2023-24 reporting period," "fiscal year 2024," etc.

commitment to ensure that the Rent Freeze Program remains a fair and reliable resource for qualifying New Yorkers.

The ombudspersons put forward their specific recommendations to the DOF commissioner in Part II of this report, focusing on the following key areas:

1. Enhancing application status information obtained through 311.
2. Refining the automatic email response system.
3. Expanding tenant access to benefit details and history via the Tenant Access Portal.
4. Alignment of the “one-third rule” with program goals.
5. Improving the efficacy of benefit succession.
6. Extending program protections to participants requiring special accommodations.
7. Outreach coinciding with annual Rent Guidelines Board Apartment Order announcements.

As in previous reporting periods, the ombudspersons performed their duties with an eye toward DOF’s larger mission: to administer the tax and revenue laws of the City fairly, efficiently, and transparently in order to instill public confidence and encourage compliance, all while providing exceptional customer service.

Further information about the Rent Freeze Program is available at www.nyc.gov/rentfreeze and prior annual reports of the ombudspersons can be accessed through the site’s “How to get help” page (www.nyc.gov/site/rentfreeze/help/help.page). Information about the Office of the Taxpayer Advocate is available at www.nyc.gov/taxpayeradvocate.

Part I: Introduction

A. Rent Freeze Program Overview

The Rent Freeze Program’s objective is to help seniors and people with disabilities remain in their homes by “freezing” the dollar amount of their monthly out-of-pocket rent. Any increases in rent beyond the “frozen” amount are covered by a tax credit that is applied as a reduction to the building’s property taxes.

Between 2016 and 2019, the number of Rent Freeze households in New York City increased each year, from 72,299 in 2016 to a high of 75,515 in 2019. In 2020, the total number decreased by 5.1% to a total of 71,665 households, 59,862 of which received SCRIE benefits and 11,803 of which received DRIE benefits. For 2019, the most recent year for which eligibility estimates are available, a total of 135,111 households were eligible for the Rent Freeze Program.³ DOF’s preliminary figures for 2021, 2022, and 2023 show a further decline in enrollment to 62,647 total participants in 2021 and relatively steady numbers in 2022 and 2023 (61,127 and 61,260, respectively). The ratio of SCRIE to DRIE recipients remained steady at about 4.5-to-1.

The average age of benefit recipients in 2020 was 77 for SCRIE and 62 for DRIE, and average household size was 1.5 persons for both SCRIE and DRIE. Based on preliminary DOF estimates, the median income for program recipients went from \$16,378 in 2020 to \$17,688 as of September 2024, reflecting a rise that was steady but lagging in comparison to increases in the consumer price index.

Based on DOF figures for 2020, the average number of years that recipients stayed in the program ranged from 7.2 years in Staten Island to 8.5 years in the Bronx and between 9.0 and 9.6 years in Brooklyn, Manhattan, and Queens. A higher number of years in the program correlated with a higher average monthly benefit amount. Preliminary numbers for benefits active in September 2024 show that current participants have, on average, been in the program for 10.4 years, with a similar median duration of 9.9 years.

B. Establishment of Ombudsperson Positions and Reporting Requirements

Section 11-137 of the New York City Administrative Code establishes the SCRIE and DRIE ombudsperson positions within DOF. This section also states that the ombudspersons’ duties will include:

- (i) *establishing a system for such ombudspersons to receive complaints with respect to each such rent increase exemption program;*
- (ii) *investigating and responding to complaints received [pursuant to (i), above]; and*

³ The figures for years up to and including 2019 were reported in DOF’s *2022 Report on the New York City Rent Freeze Program*. The *2022 Report* contains the most recent set of Rent Freeze statistics published by DOF.

- (iii) *making recommendations to the commissioner of finance regarding the administration of each such rent increase exemption program, which may include recommendations for training appropriate department of finance staff members.*⁴

The ombudsperson positions are within the Office of the Taxpayer Advocate, which reports directly to DOF Commissioner Preston Niblack.

In addition to establishing the ombudsperson positions, NYC Administrative Code Section 11-137 requires DOF to submit an annual report to the New York City Council:

No later than October first of each year, the department of finance shall submit a report to the council for the prior fiscal year, indicating:

- (i) *the number and nature of inquiries received by the department of finance and the 311 citizen service center regarding the rent increase exemption programs;*
- (ii) *the number, nature, and resolution of comments and complaints received by the ombudspersons designated pursuant to paragraph one of subdivision a of this section regarding the rent increase exemption programs; and*
- (iii) *any recommendations made by any such ombudsperson to the commissioner of finance regarding the administration of such rent increase exemption programs.*⁵

C. Operations of the Rent Freeze Program Ombudspersons

The ombudspersons primarily assist tenants with applying for, maintaining, or reinstating Rent Freeze Program benefits when they have been unable to resolve their issues through regular DOF channels. As required by the New York City Administrative Code, the ombudspersons' contact information is included on certain SCRIE and DRIE forms and notices, including those related to the denial of an application or its ensuing appeal, the revocation or termination of benefits, and the denial of a tenant's application to take over an existing benefit. The ombudspersons also monitor cases and input from program participants and community-based organizations to identify larger issues affecting the efficacy of the Program with respect to its intended goals. The ombudspersons redirect matters unrelated to SCRIE and DRIE to the responsible units within DOF or outside of the agency, as appropriate.

For fiscal year 2024, the total estimated dollar impact of the ombudspersons' casework is \$2,101,378 in benefits received.⁶ The ombudspersons' casework comprised matters involving tenants residing in 50 of the city's 51 council districts. More information on dollar impact by district is available in Part III and Appendix I of this report.

⁴ New York City Administrative Code § 11-137 (a)(1).

⁵ New York City Administrative Code § 11-137 (a)(3).

⁶ See Appendix I (p. 31).

Part II: Recommendations from the Current Reporting Period, Fiscal Year 2024

A. Administration and Operations

The success of the Rent Freeze Program depends heavily on tenants' ability to navigate the application process. Because tenants often inadvertently submit incomplete or incorrect applications, they must have access to accurate information regarding the status of their applications, including when their documents have been received and whether the program has deemed their submissions to be sufficient. In addition, tenants may require additional support depending on their circumstances, such as some landlords' unwillingness to comply with the rules of the program. The following three recommendations propose improvements to the tools available to the tenant to successfully enroll in the program and retain the benefit for the long term.

1. Enhanced 311 SCRIE-DRIE Application Lookup

In a continuation of a trend from the prior reporting period, the ombudspersons received high numbers of telephone inquiries that they would not normally handle,⁷ the vast majority of which involved application status. Although the normal protocol would be to redirect these inquiries to DOF customer service, callers often informed the ombudspersons that they had already attempted to reach customer service, but had experienced connection issues (such as being on hold for an hour or more or disconnected while waiting in a queue) or that they had already spoken with 311 or customer service, but found that the information they received was inaccurate or incomplete. In many of these instances, the ombudspersons addressed the caller's concerns by providing information regarding unprocessed documents based on information available to them in the main application document repository. This information is not currently available to 311 operators.

When Rent Freeze participants contact 311 with questions about their application status, 311 operators search for answers in DOF's internal online "311 SCRIE-DRIE Application Lookup" database. Allowing the 311 lookup tool to reflect other information available to DOF, such as updates on received paperwork in the main application document repository, would enable representatives to respond more accurately and completely to questions regarding application status. In addition, extending this access to other DOF public-facing operations that receive status inquiries, such as External Affairs, would help to lessen the volume of inquiries sent to the Customer Service Center.

Recommendation: DOF should make additional information, such as information regarding pre-processing document queue status, available within the 311 lookup tool already being used by 311 operators to provide status information to Rent Freeze participants.

⁷ According to their intake criteria, the ombudspersons can undertake matters involving application denials, issues that are especially complex or unusual, or matters that a tenant or landlord has already attempted, unsuccessfully, to resolve through normal DOF channels.

2. Auto-Response Email

Inquiries or documents submitted through DOF's customer service portal are reviewed by DOF personnel using DOF's Customer Relationship Management software (CRM). The reviewer either responds directly or forwards the submission to another unit for handling. In accordance with the current settings in CRM, when a submission is forwarded for further handling, the submitting person may receive an immediate automatic response email stating that their case has been reviewed and is now closed, even though there has been no action yet taken by the unit to which the inquiry or documents have been forwarded. Although other correspondence may follow, the "case closed" email routinely generates confusion and customer dissatisfaction.

Recommendation: The relevant business units should review the response templates available in CRM for suitability to the most common customer inquiries and document submissions. DOF should establish a CRM software training program that includes instructions on how to avoid triggering "case closed" emails unless a matter has been handled completely.

3. Benefit History via Tenant Access Portal (TAP)

Over the past two reporting periods, the ombudspersons have received numerous requests from tenants for confirmation of benefit history, whether in the form of tax abatement credit (TAC) reports or past approval letters.⁸ Often, the requests are in the context of a landlord's claim that the tenant is in arrears due to outstanding TAC amounts from previous benefit periods and, increasingly, the source of the request is a pro bono eviction attorney representing the tenant in an active housing court case.⁹ Although tenants can generate a report containing the current benefit period's details through DOF's Tenant Access Portal (TAP), they cannot access the details for prior periods. Configuring TAP so that it can generate reports that cover a tenant's entire benefit history would increase TAP's utility and possibly create an additional incentive to begin using TAP instead of paper applications. Expanding access to information regarding previous periods will increase transparency and empower tenants and landlords to efficiently resolve claims of program arrears.

Recommendation: A full benefit history, including frozen rent and landlord credit amounts for each prior lease period, should be available to tenants and their designated representatives through the Tenant Access Portal.

4. Appeals

Partly due to tenants hoping to be reinstated after post-COVID revocations for failure to renew, the number of appeals-related cases and inquiries climbed sharply this reporting period. Especially in the latter half of the past fiscal year, tracking appeals status and confirming appeals

⁸ As seen in the issue count in Part III.C (p. 14), the increase in requests for TAC reports over the past two years has coincided with two years of unusually high numbers of landlord non-compliance cases.

⁹ Landlords can access their tenants' benefit histories through DOF's online Landlord Express Access Portal. Rent Freeze credits are also reflected on a landlord's property tax account, which is also accessible online, and in monthly DOF Rent Freeze statements by mail.

decisions has become increasingly challenging. During the second half of this fiscal year, many tenants with proof-of-mailing reported receiving no response at all to an appeal application for weeks—or even months. When these tenants called 311, operators informed them that there was no record of an appeal having been submitted. Unable to direct callers to assistance with appeal status, 311 operators have transferred numerous straightforward appeals status requests to OTA. OTA, in turn, with no direct means to verify information about appeals, would submit a request for information to the Property Division to verify with the Compliance Unit whether an appeal had been received and what action, if any, had been taken. As some personnel at community-based organizations (CBOs) have further noted, whereas some tenants might be able to access information regarding other applications via the Tenant Access Portal, there is currently no online resource that provides tenants with any status information regarding appeals.

Recommendation: The unit within the Property Division that reviews appeals should standardize the steps and timeline taken in processing applications (in a manner similar to initial and renewal application processing). The timeline should include uploading submissions to the online document repository within a reasonable time following receipt, logging processing notes in the applicable DOF database, and sending notices to applicants. Certain information from the internal appeals documentation system, including date of receipt, processing status and outcome, should be accessible to tenants online, possibly through TAP.

B. Program Elements

The following five recommendations target current aspects of the Rent Freeze Program that, from the perspective of the ombudspersons, detract from the program’s overall effectiveness, particularly with respect to its overarching goal of increasing housing security in certain economically vulnerable populations. Except for the alignment of benefit takeovers with redeterminations (B.4), recommendations in this section may require regulatory or statutory change, or both, and have been approved by DOF for inclusion in the agency’s 2025 legislative agenda.

1. Low-Income Safeguards for “One-Third Rule”

In accordance with a legislative change in 2015, the program requires that participating tenants pay at least one-third of their income toward their rent (the “one-third rule”). For applicants at the lowest income levels, the one-third rule can result in a harsh penalty, either in the form of program exclusion or higher frozen rent. For example, if a couple living on less than \$1,800 per month is fortunate enough to find an apartment for \$500 per month, they will not be able to freeze their rent at that amount. They will continue to pay their rent increases until their rent reaches at least \$600 per month, at which point they will become income-eligible for Rent Freeze. For this couple, whose income is only 5.7% over the U.S. poverty guideline, the one-third rule has both delayed their entry into the program and ensured that they will pay an additional \$1,200 in rent per year than they otherwise would have. Moreover, if, for example, their extended family offers them an additional \$150 per month for living expenses, the one-third rule may either cause their frozen rent to increase or exclude them from the program entirely.

To require that households living close to the poverty line pay more in rent before becoming eligible for the program seems contrary to the program's intent of preserving affordability and housing security for low-income seniors and disabled persons.

Recommendation: DOF should pursue legislative changes to ensure that households with an income of 150% or less of the federal poverty guideline are not subject to the one-third rule.¹⁰

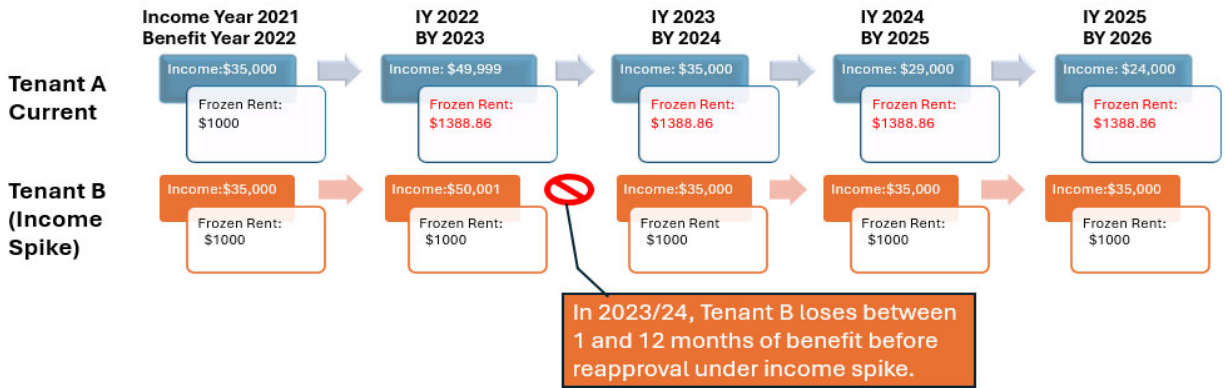
2. Frozen Rent Adjustments under “One-Third Rule”

In practice, the one-third rule can have more than one type of effect on a tenant’s benefit. An applicant whose existing frozen rent is less than one-third of monthly income at the time of renewal will have their frozen rent increased to equal one-third of their monthly income, while an applicant’s renewal will not be approved if one-third of their reported household monthly income exceeds their rent. For a tenant whose frozen rent is increased under the one-third rule, the increase becomes permanent, regardless of whether the tenant’s income subsequently decreases.¹¹ In contrast, the tenant whose benefit is revoked for exceeding the income limit can restart during the following calendar year at the prior frozen rent with no increase (the so-called “income spike rule”), assuming eligibility requirements are met at the time of reapplication. Under current practice, a renewing Rent Freeze tenant with a significant, one-time increase in income therefore faces different possible outcomes without any justification for the disparity. More importantly, the outcome may arbitrarily hinder the program’s ability to preserve affordability for certain tenants.

The tenants in the following example are hypothetical but reflect actual tenants in substantially the same position. Prior to 2022, Tenants A and B both had annual household incomes of \$35,000, the same frozen rent (\$1,000), and the same legal rent (\$1,500). In 2022, special pandemic unemployment payments raised Tenant A’s income to \$49,999 and Tenant B’s to \$50,001. As a result, Tenant A’s frozen rent increased to \$1,388.86, while Tenant B’s benefit was revoked. The following year, both tenants’ incomes returned to their normal level. Tenant B reapplied and, under the income spike rule, returned to the program at the original frozen rent. Despite Tenant A’s income also returning to its prior level, Tenant A will pay \$4,666.32 more in rent each year in perpetuity compared to Tenant B, even if Tenant A’s income continues to diminish.

¹⁰ The percentage is based on *The New York City Government Poverty Measure 2020 Report*, issued by the Mayor’s Office for Economic Opportunity in May 2023, which estimated a New York City poverty threshold approximately 46% higher than the U.S. poverty threshold.

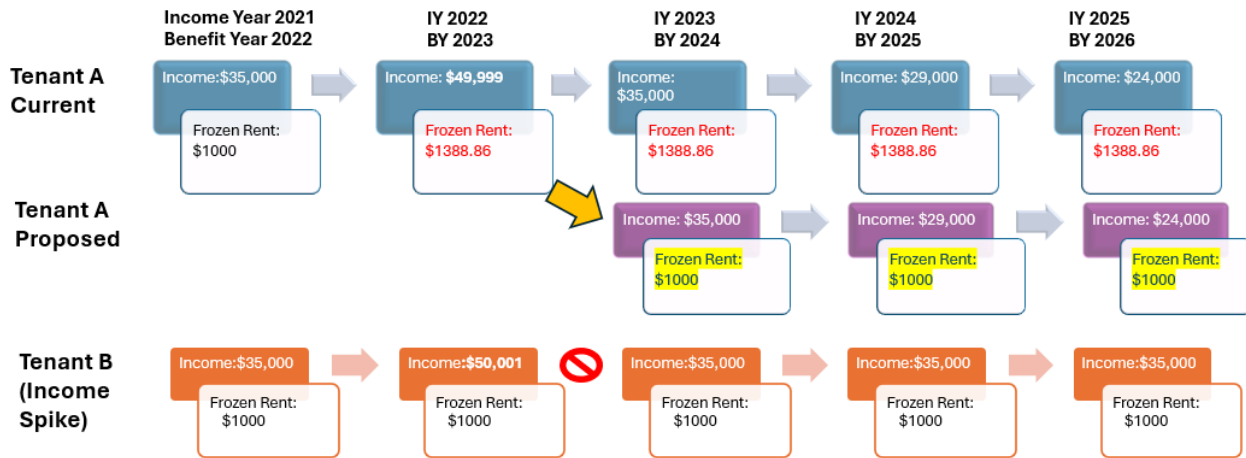
¹¹ While this is DOF’s current practice, OTA found no indication in its research on the applicable statutes that the frozen rent, once increased, was required to remain at that level, as opposed to being returned to its previous level in subsequent income years so long as the tenant still paid at least one-third of income toward rent. On this and any other questions of legislative permissibility regarding the recommendations in this report, however, DOF’s official position would be determined by its Legal Affairs Division.



Aside from the outcome being inequitable on its face, the existence of the income spike rule suggests that the difference in outcomes is unintentional. The income spike rule exists for the express reason of allowing tenants one anomalous income year (up to three separate times) without having to start again at a higher frozen rent that would not be affordable under their normal income. All tenants should have this same opportunity, rather than some being excluded based on a superficial distinction.

Recommendation: Application of the one-third rule should result in the tenant paying at least one-third of current application income, whether higher or lower than the prior frozen rent, so long as the frozen rent does not fall below the original frozen rent amount approved with the initial application. If necessary, DOF should pursue legislative changes to effect this recommendation.¹²

Under this recommendation, the outcome for Tenant A would instead be as follows:



¹² Bill S7668/A7930, newly proposed during the New York State Legislature’s 2023-24 session, removes the requirement of a loss of at least 20%, thereby allowing tenants to apply for a redetermination based on any decrease in income. The justification for the bill includes the need for downward adjustments of frozen rent after an increase caused by an anomalous income year. While agreeing with the premise of the bill, the ombudspersons take issue with both the redetermination application requirement to return to the prior frozen rent and the ambiguity regarding whether the income loss would still need to be proven to be permanent.

3. Benefit Takeover Eligibility Grace Period

Benefit takeover applications can coincide with extremely difficult circumstances for tenants, as they often follow the death or permanent hospitalization of a household member. In addition to the other hardships associated with these types of events, landlords may pressure remaining household members to relinquish the apartment once the prior tenant is gone. Under the current rules, successor tenants may take up to six months to submit a benefit takeover application, but they are required to be eligible immediately upon the death or permanent relocation of the prior tenant. This means that a tenant who turns 62, or finally begins receiving disability benefits just a few days after the prior tenant's departure, loses the household's frozen rent and must start the application process over as if the household had never had the benefit. For some successor tenants who are just shy of 62, or who have only recently applied for disability benefits in response to the loss of the prior tenant's income, the household's frozen rent may have been in place for years, and it is extremely unlikely that their income will increase at all, much less enough to cover a higher frozen rent.

To protect the affordability of rent for these households, successor tenants should be provided with a grace period for eligibility for the program that extends at least through the six months provided for submitting the application or the remainder of that calendar year, whichever allows them more time. Although they would not actually receive the benefit until the month that they fulfilled the eligibility criteria, the additional six months to a year provided to the successor tenant would provide for a more reasonable transition period for households that are already relying on the program for housing security and include a tenant who will shortly be able to take the place of the prior tenant. Permitting tenants to apply if they become eligible within this transition period would be consistent with DOF's approach to the Senior Citizen Homeowners' Exemption (SCHE) and Disabled Homeowners' Exemption (DHE), both of which allow homeowners to apply for exemptions so long as they become eligible at some point in the same calendar year, even if they are not yet eligible at the time of application.

Recommendation: DOF should pursue amendments to Rent Freeze legislation that would allow tenants who reach age or disability benefit eligibility within the six months provided for submitting the benefit takeover application or sometime before the end of the same calendar year (whichever provides more time) to take over a program benefit if all other eligibility criteria are met. The tenant's household would not receive the benefit until the month of actual eligibility, but they would be eligible to apply and then restart the existing benefit as of the month of eligibility.

4. Redetermination Alignment with Benefit Takeover

If a tenant experiences a permanent income loss of 20% or more, the tenant may be eligible for a redetermination that could lower the frozen rent. If an event, such as the death or permanent move of the primary tenant, provides the basis of both a benefit takeover and a redetermination, the applicant can apply for both via a single application. But even when a benefit takeover and redetermination are submitted and approved simultaneously, the effective date of one almost never occurs at the same time as the other. A benefit takeover becomes effective immediately

after the prior benefit is revoked, even retroactively if necessary, so that there is no break in the benefit. The redetermination, however, is only effective starting with the month following DOF's receipt of the application.

In an actual example from this reporting year, a SCRIE tenant died in July 2023, leaving his widow as his successor tenant. The household income had been declining steadily due to the illness leading up to his death, and by the time he passed away, his widow was struggling to pay for basic necessities. She applied for a SCRIE benefit takeover as soon as she was able to obtain a copy of the death certificate, which was not until August 27, 2023. She mailed the benefit takeover and redetermination application on that date and the application entered SCRIE's records on September 1. By SCRIE's calculations, the loss of her husband's income entitled the tenant to pay \$969 less than the frozen rent before the redetermination. While the widow technically took over the prior benefit as of August 1, 2023, the redetermination's effective date was not until October 1, 2023, based on the date that SCRIE deemed to have received the application. As a result, she paid nearly \$2,000 in additional rent during the first two months after her husband had passed away.

Given the time that it can take to complete a benefit takeover application (which can be delayed by elements out of the applicant's control, such as waiting for a death certificate or a nursing home letter to be issued), the tenant may not get the relief that the redetermination is meant to provide until several months have passed. These months may be extremely difficult financially for the redetermination applicant as, by definition, they must adjust to the loss of a substantial amount of income despite their rent obligation remaining the same. In other words, if an event resulting in immediate income loss requires that a successor tenant take over a program benefit, the tenant's need for alleviation of the corresponding hardship will be just as immediate. The effective dates of redeterminations that coincide with benefit takeovers should reflect this dynamic.

Recommendation: Redeterminations based on an income loss caused by the death or permanent relocation of an applicant should become effective concurrently with the corresponding benefit takeover, rather than being tied to the timing of the application submission.

5. Relocation for Disability Accommodation

While receiving Rent Freeze benefits, tenants may develop physical or mental impairments that require a change in physical surroundings. A common example is the tenant living on an upper floor who can no longer navigate the stairs in a walk-up building and therefore needs to move to a ground floor apartment. Under the current method of calculating frozen rent in apartment relocations, a tenant will keep the same tax abatement credit amount and apply it to the rent in the new apartment. If the relocation is to a more expensive apartment, the frozen rent will therefore also increase.

While there may be justification for this method of calculation where tenants move for reasons within their control, the same justification does not apply when a tenant's housing needs have

shifted due to medical reasons beyond their control that call for an accommodation in the living situation. For these tenants, because of the manner in which the frozen rent will be calculated in any relocation, the program may no longer be adequate to support their housing needs. In order for these tenants to live in appropriate housing conditions while keeping the affordability intended by the program, their frozen rent should not have to increase if they need to relocate to an apartment that includes the accommodations made necessary by their medical conditions.

Recommendation: DOF should pursue legislation that would allow Rent Freeze tenants who require relocation due to a physical or mental impairment (as approved by DOF's Equal Employment Opportunity Division¹³) and otherwise meet all Rent Freeze eligibility requirements to retain their frozen rent after relocation and have the landlord's credit adjusted according to their new rent.

C. Outreach Timed with Rent Guidelines Board's Annual Apartment Order

As indicated in Part I.A. of this report, the City's program-eligible tenants far outnumber the tenants who are enrolled in the program, even under conservative estimates. In recognition of this gap, DOF conducts year-round outreach to ensure that as many taxpayers as possible are aware of the program. One of OTA's outreach efforts during this reporting period involved an op-ed written jointly by the Taxpayer Advocate and the Mayor's Public Engagement Unit to coincide with the Rent Guidelines Board's (RGB) annual announcement of the allowable rent increase. The success of the op-ed underscored the potential for effective outreach in connection with the issuance of the RGB's annual order. In addition, the ombudspersons receive inquiries each year from CBOs around the time of the announcements asking how the rent increase will affect their clients' frozen rent depending on the timing of their applications. The announcement of the RGB's annual order has the additional advantage of drawing media attention to the issue of rent affordability.

For these reasons, the RGB's annual announcement has the potential to generate greater momentum for new applicants as well as providing an opportunity to convey the program's benefit in clear, concrete terms, as tenants are especially mindful about possible changes in their rent depending on the newly announced RGB guidelines. Moreover, this year's announcement may provide an opportunity for outreach regarding the new income definition as a further incentive for application.

Recommendation: DOF should create an outreach initiative specifically to coincide each year with the annual issuance of the Guidelines Board's order regarding allowable increases for rent-stabilized apartments.

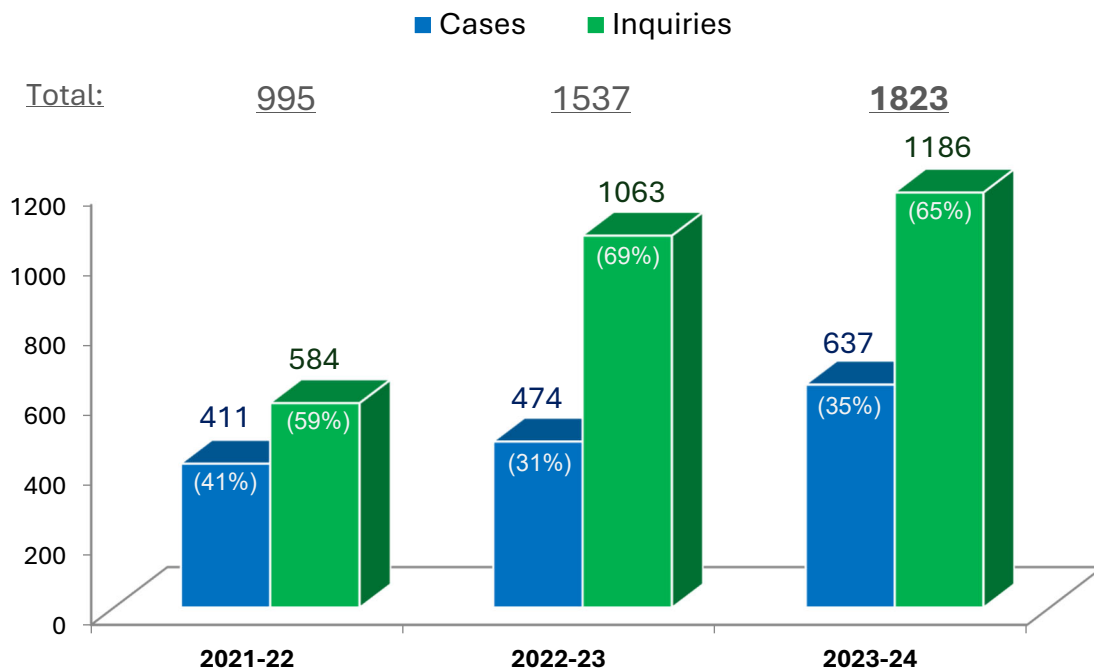
¹³ To determine whether accommodations are medically necessary, the tenant's relocation would be verified under the process currently applied to Rent Freeze matters by DOF's Office of Equal Employment Opportunity (EEO) pursuant to the standards established by the Americans with Disabilities Act of 1990 (ADA).

Part III: Rent Freeze Program Case and Inquiry Statistics for Fiscal Year 2024

A. Total Inventory of Cases and Inquiries

During the reporting period of July 1, 2023, to June 30, 2024, OTA classified matters managed entirely within OTA as “inquiries” and those requiring the involvement of outside offices as “cases.” This year brought another record number of inquiries and cases, with a total of 1,823 matters, exceeding last year’s number by 16% and representing an 83% increase over the average number for fiscal years 2019-2021. When disaggregated into cases versus inquiries, the increase in cases alone rises to 34%, versus a more modest 12% increase in inquiries. As in prior years, SCRIE matters outnumbered DRIE matters by a ratio of approximately 4 to 1.

SCRIE and DRIE Ombudsperson Total Workload by Fiscal Year

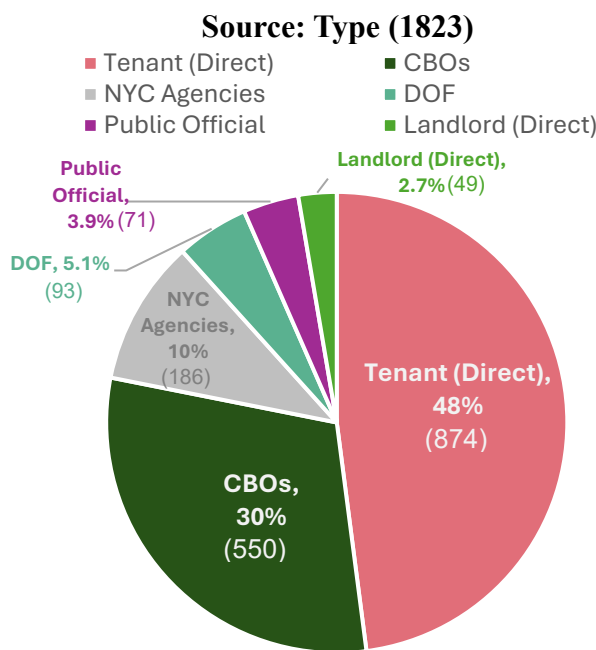


B. Cases and Inquiries by Source

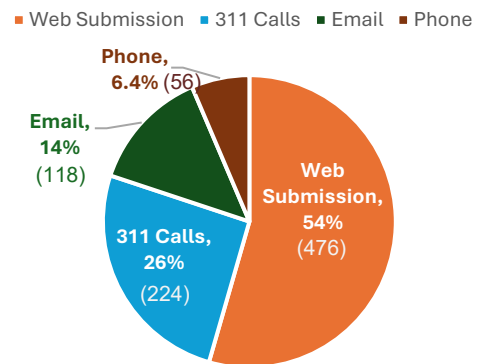
OTA tracks the origins of Rent Freeze Program-related cases and inquiries, both in terms of the initiating party and the communication medium. The breakdown by source type for this reporting period closely resembled the numbers for 2022-23 in most categories. For the current period, about 48% of matters were directly initiated by tenants (or their family or friends) and the remainder came through third-party intermediaries. Community-based organizations (CBOs) were the leading third-party representatives with 30% of all matters, down from 35% in the prior period. Other third parties included City agencies outside of DOF (10%), DOF referrals (5.1%), public officials (3.9%), and landlords on behalf of tenants (2.7%).

In terms of communication methods, the proportions of emails (39.9%) and web submissions (38.7%) were nearly the same as the prior period (39.2% and 41.8%, respectively). Usage by source varied significantly within each method category in a pattern similar to 2022-23’s breakdown. For CBOs, emails represented 82% of their communications, while only 14% were web submissions. In contrast, only 14% of tenants contacted the ombudspersons via email and 54% used web submissions. The overall percentage of matters accepted via 311 transfers increased from 12% in the prior period to the current period’s 17%, and the current period saw a continuation of the disparity in 311 use among tenants (26%) versus CBOs (2.9%).

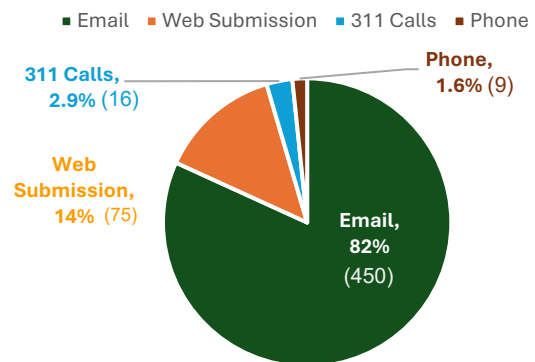
Total Cases and Inquiries by Source for Fiscal Year 2024



Tenant (Direct) by Contact Method (874)



CBOs by Contact Method (550)



C. Cases and Inquiries by Subject Matter

In this section of the report, the ombudspersons present their observations regarding notable changes in the number of matters, when disaggregated by subject matter, as compared to the prior year. The total counts by category for this reporting period are as follows:

Issues Presented	RY2022	RY2023	RY2024	vs. RY2023
Total^[1]	1365	2068	2412	344↑ (17%↑)
Submission Status – File Review Required	226	424	551	127↑ (30%↑)
Completing Application – Assistance Required	246	446	544	98↑ (22%↑)
General SCRIE/DRIE Program Information	120	257	252	5↓ (2%↓)
Appeal	58	87	248	161↑ (185%↑)
Tax Abatement Credit Issues	124	119	132	13↑ (11%↑)
Income Requirements/Calculation	84	143	131	12↓ (8%↓)
Landlord/Owner Noncompliance	83	137	114	23↓ (17%↓)
Request for Clarification of Notice Received	48	80	94	14↑ (18%↑)
Request for TAC Report	32	42	72	30↑ (71%↑)
Reasonable Accommodation	39	29	38	9↑ (31%↑)
Processor Error	30	23	36	13↑ (57%↑)
Application Request	19	35	29	6↓ (17%↓)
Redetermination	40	41	23	18↓ (44%↓)
Benefit Takeover	40	28	22	6↓ (21%↓)
Issue Unknown ^[2]	3	12	18	6↑ (50%↑)
Apartment Regulatory Status	4	9	18	9↑ (100%↑)
Housing Preservation and Development (HPD matters)	23	16	17	1↑ (6%↑)
Housing Stability and Tenant Protection Act	31	23	16	7↓ (30%↓)
Other Eligibility	10	32	15	17↓ (53%↓)
Major Capital Improvement	16	12	14	2↑ (17%↑)
Income Spike	13	10	12	2↑ (20%↑)
Portability (Apartment Move)	15	10	9	1↓ (10%↓)
Paperwork Received by DOF – Response Needed	60	52	4	48↓ (92%↓)
Age or Disability Requirements	1	1	3	2↑ (200%↑)

^[1] Because a single matter may fall under multiple issue categories, the aggregate sum of the per-category totals for a reporting year may exceed the total number of cases and inquiries for that year.

^[2] The “Issue Unknown” category counts incoming communications where no issue information was included in the initial inquiry and communications from the ombudspersons went unanswered.

The total number of cases and inquiries rose by 16% compared to the prior reporting period, a much smaller increase than the 52% between the prior two periods, but still significantly higher than pre-2021 levels. The ombudspersons believe that the final August 2023 deadline (with an appeal period through February 2024) for renewals that were originally due during the pandemic contributed to the unusually high volume of cases and inquiries, predominantly during the first three quarters of the reporting period.¹⁴ The ombudspersons also continued to see the effects of factors in the prior period’s increased case numbers, such as the lifting of the eviction

¹⁴ See Part IV.A (p. 19) for additional context.

moratorium in January 2022, the expiration of New York State’s Emergency Rental Assistance Program in January 2023, and the rent increase announced by the Rent Guidelines Board for rent-stabilized units in 2022 (to be followed by an additional rent increase in 2023).

As in the prior reporting period, the ombudspersons were called upon to intervene in a wide range of matters usually managed by the Property Division, with further increases in both the “Completing Applications” and “Submission Status” categories.¹⁵ Despite their subject matter being outside of the ombudspersons’ normal focus, practical considerations, including extremely long hold times and frequent call disconnections, resulted in these matters ultimately being accepted for handling by the ombudspersons. In particular, confirmation of application status continued to generate a high number of customer service inquiries, but tenants were unsuccessful in obtaining this information from the either 311 or the Customer Service Center.

The number of matters in the “Appeals” category increased by 185%. For most of fiscal year 2023, as a result of the transition back to normal revocation rules after the pandemic, the ombudspersons handled an unusually large number matters relating to claims of improper revocation or requesting clarification of a revocation and the possibility of reinstatement. The high proportion of these matters that resulted in retroactive reinstatement, and the correspondingly large TAC issuances, contributed significantly to the high dollar impact figure for the current period. The immediate reasons for most of these cases were the August 2023 deadline for late reinstatements of benefits that lapsed during the pandemic or the February 2024 deadline for related appeals, as well as the impossibility, as reported by tenants, of learning the outcome of appeals or even confirming through the usual channels that their appeal had been received.

In fiscal year 2024, there was an 11% increase in TAC-related cases compared to the previous year, representing the highest number of cases in the past three years. In addition to TAC inquiries for benefit verification in the context of landlord noncompliance,¹⁶ TAC matters can also involve the need for legal rent adjustments in accordance with regulatory rent increases, major capital improvements (MCIs), and capital assessments. Notably, 58% of DRIE applicants who contacted the ombudspersons regarding TAC issues lived in Mitchell-Lama properties,¹⁷ which have recently been subject to significant increases in capital assessments and base rents as co-ops address rising living costs.¹⁸ Due to these types of rent adjustments, Mitchell-Lama residents now represent a greater proportion of adjustment requests, all of which require supporting documentation to account for the dollar amount of the request. In Mitchell-Lama properties, identifying and obtaining these documents can be particularly challenging for tenants.

¹⁵ The range included nearly every issue category, but each matter fell outside of the ombudspersons’ normal intake criteria. See footnote 7 for the ombudspersons’ normal criteria for accepting cases and inquiries.

¹⁶ See recommendation II.A.3 (p. 6) for more on this issue.

¹⁷ DOF only administers DRIE, and not SCRIE, in HPD residences, including Mitchell-Lama properties.

¹⁸ For more information on the financial pressures faced by co-ops and the impact on residents: “NYC Co-ops Face Financial Crisis, Could Displace Longtime Residents,” retrieved at <https://www.crainsnewyork.com/real-estate/nyc-co-ops-face-financial-crisis-could-displace-longtime-residents>.

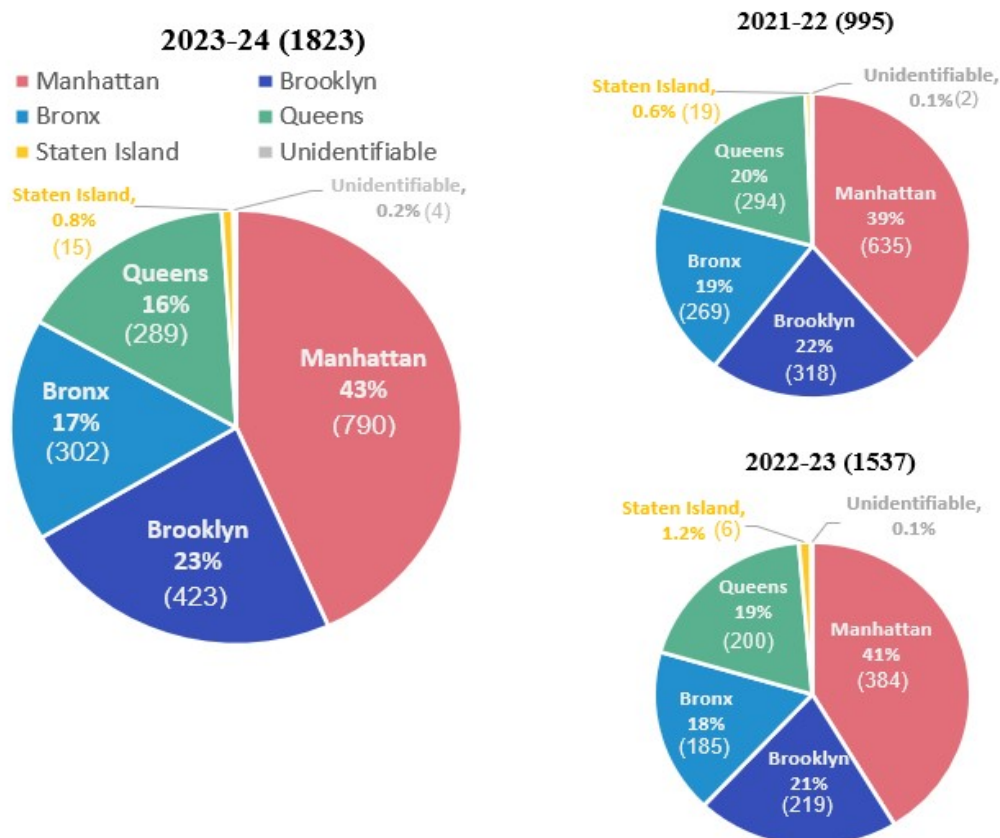
The resulting frequency of tenants’ errors in documentation and the corresponding need for post-adjustment corrections have contributed to the increase in matters in this category.

Other issue categories showing a notable year-over-year change, but with less of an impact on the overall nature of the ombudspersons’ workload, include Reasonable Accommodation (30% increase); Processor Error (57% increase); Redeterminations (44% decrease); Apartment Regulatory Status (100% increase); and Paperwork Received by DOF – Response Needed (92% decrease). Possible contributing factors in these changes include shifting processing volumes in the return to regular revocation rules, legislative changes affecting rent regulated apartments, and operational changes, such as the rollout of renewals via TAP.

D. Cases and Inquiries by Borough

The chart below shows the breakdown of SCRIE and DRIE ombudsperson matters by borough. The distribution remains relatively in line with previous years and reflects the proportion of rent-regulated units in each borough. Manhattan continues to generate the highest number of matters and registered year-over-year growth of 24.4%, with Brooklyn second in total numbers and showing an increase of 33% over the prior year. With an increase of 12.3% in the Bronx and a slight (1.7%) decrease in Queens, the Bronx overtook Queens as the borough with the third highest number of matters. The number of matters in Staten Island remained significantly lower than the other boroughs, in accordance with its relatively low number of rent-regulated units.

Total Cases and Inquiries by Borough by Fiscal Year



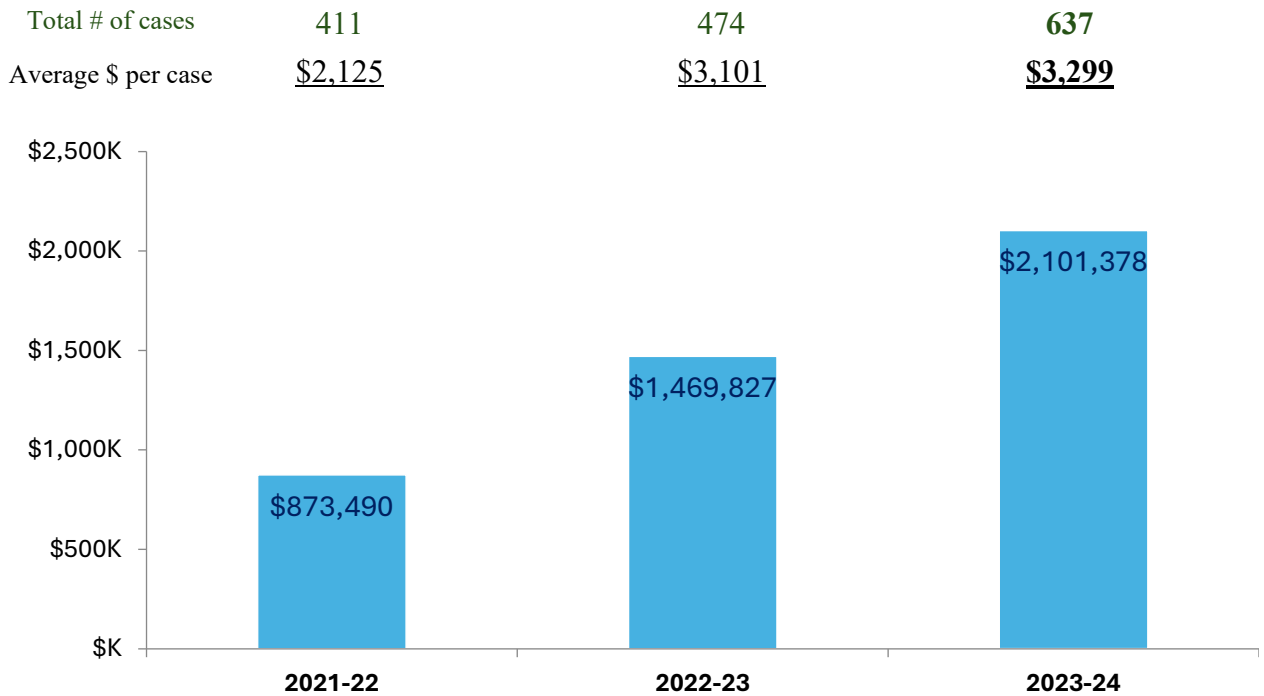
E. Dollar Impact of Ombudspersons' Work

The financial ramifications of the ombudspersons' work can be quantified via the increase in tax abatement credits issued under the Rent Freeze Program. For this reporting year, the total monetary benefit conferred to SCRIE/DRIE tenants and landlords amounted to \$2,101,378, averaging \$3,299 per case. These figures exceed the record numbers achieved in the prior period, and can be partly attributed to the overall uptick in program activity and increased reliance on the ombudspersons for assistance with benefit approval and maintenance.

Beyond this general trend, the ombudspersons believe that the singularly high-dollar impact for the current fiscal year reflects the high proportion of cases involving revoked benefits that were reinstated retroactively as part of the post-pandemic transition back to the normal processing timeline and, to a lesser degree, higher tax abatement credit amounts following the Rent Guidelines Board's 2022 and 2023 Apartment Orders regarding rent increases in lease renewals.

The following chart shows the dollar impact totals for the current and prior two reporting periods:

Ombudspersons' Dollar Impact by Reporting Year



Part IV. Ongoing Developments

A. Deadline for Renewals Delayed by Pandemic

From December 2019 through May 2023, DOF imposed a moratorium on revoking program benefits on the basis of failure to renew within the normal six-month period following the end of a benefit cycle. After four reminder notifications sent between late 2021 and early 2023, DOF lifted the moratorium on May 1, 2023, and issued notices of revocation, effective as of the end of their most recent approval period, to tenants who had allowed their benefits to lapse. These notices allowed for a one-time cure period that gave tenants the opportunity to be reinstated if they completed their outstanding renewals by August 30, 2023. Beyond the August deadline, DOF continued to accept appeals of the May 1 revocations until February 29, 2024.

As described in the ombudspersons' prior annual report, exceptionally long processing times during fiscal year 2022 had resulted in tenants being revoked despite submitting their required documentation prior to May 2023. By spring of 2023, the ombudspersons' active matters connected to the May 1, 2023, revocations had declined considerably, suggesting that most of the tenants intending to challenge those revocations had done so by that time. Tenants who still wish to challenge their revocations will most likely need to demonstrate, by application to DOF's EEO, that they require an extension of time to accommodate a physical or mental impairment.

B. Outreach and Training¹⁹

The ombudspersons' Rent Freeze outreach and training efforts this year continued the pace set in the prior reporting period and added new partnerships to existing relationships with internal and external stakeholders. A significant portion of the ombudspersons' informational outreach efforts were organized by DOF's External Affairs Division, whereas trainings were mainly arranged directly with the ombudspersons. Nearly all tenant outreach events were in person, and attendance numbers were similar to the prior reporting period.

Prior to this reporting period, the Property Division had put forward a plan for strengthening existing Rent Freeze training protocols as well as implementing a framework for regular updates and feedback for processors from supervisors. Due partly to training needs created by legislative and operational changes in other DOF programs, the division has not moved forward with the new Rent Freeze training regime. In addition to the planned training, the Property Division's Director of Training hopes to establish cross-training programs across DOF divisions that are involved in the Rent Freeze Program. OTA supports the plan for more robust Rent Freeze training, as well as the creation and maintenance of a centralized knowledge base to supplement the periodic trainings.

Notable events included:

- Information and enrollment events at senior centers with DOF's External Affairs Division

¹⁹ The ombudspersons' outreach efforts are also counted in the statistics reported in OTA's broader annual report.

- Rent Freeze clinics at councilmember and assemblymember offices
- Consultation with tenants at Annual Westside Tenant’s Conference hosted by Housing Conservation Coordinators
- Customized training session for the Mayor’s Public Engagement Unit (PEU), including members of its Tenant Support Unit, at PEU’s Manhattan office
- Trainings for CBOs, including pro bono legal and social work organizations, serving Rent Freeze clients
- Joint op-ed with PEU encouraging enrollment in the program
- Rent Freeze presentation to residents of building administered by the NYC Department of Housing Preservation and Development (HPD), together with personnel from HPD’s SCRIE program
- Virtual conference with Los Angeles-based CBO to discuss the possibility of enacting Rent Freeze-type programs outside of New York State

C. Forms Committee and TAP Renewals

Pursuant to last year’s recommendation regarding application streamlining,²⁰ the ombudspersons are involved in an ongoing DOF initiative focused on redesigning Rent Freeze materials for ease of tenant use and processing efficiency. To date, a team including personnel from OTA and the Property, Legal Affairs, and External Affairs Divisions has redesigned the SCRIE and DRIE internal and renewal applications. The new application combines both the initial and renewal applications into one form. The team has compiled a tentative list of other Rent Freeze materials, including most SCRIE and DRIE forms, to be reviewed and redesigned, as necessary.

This reporting period also saw the rollout of new functionality in the Tenant Access Portal (TAP) that allows tenants to renew entirely online. Although some tenants find TAP to be inaccessible due to their lack of, or reluctance to use, a computer, many of the ombudspersons’ CBO partners have assisted tenants with online applications. Some have reported possible glitches, including one affecting tenants whose prior applications were denied. These issues are forwarded to the Property Division, which in turn works with DOF’s IT department to evaluate them.

D. Tenant Protection Cabinet

In April 2024, City Hall formed the Tenant Protection Cabinet to coordinate services, resources, and information across City agencies, including DOF, to better serve NYC renters. The Tenant Protection Cabinet’s mission is to protect tenants from the negative impacts of the housing crisis by providing them with resources and information they need to remain safely in their homes. To achieve this mission, the cabinet aims to coordinate communication and services across city agencies, develop new strategies to support tenants, and boost outreach with tenants and community-based organizations. OTA is currently represented at the Tenant Protection Cabinet

²⁰ See “2022-23: Improvements to Forms and Other Program Materials: Application Streamlining” in Part VI (p. 28).

by the Taxpayer Advocate, who has raised aspects of the Rent Freeze Program at the cabinet's recurring meetings.

E. Legislation

The following are legislative items passed or proposed during the reporting period and notable in relation to DOF's administration of the Rent Freeze Program:

1. Changes to Income Definition

As of July 1, 2024, the Rent Freeze Program implemented a new income calculation method based on an amendment to the program's governing law. The new calculation method focuses on the tenant's adjusted gross income on their federal tax return, with deductions for certain types of retirement account distributions. For tenants who did not file a federal tax return, the income calculation will be based on the amounts that would have been reported on a federal return for that income year. The applicable law also provides that tenants whose Rent Freeze benefits began before July 1, 2024, may also be considered eligible under the prior income calculation method if the prior method results in a lower total household income than the new method.

2. Rule Language Regarding Annual Retirement Benefit Increases

The New York City Rent Freeze rules provide that annual increases in benefits under the Social Security Act or a public or private pension that take effect after the start of a tenant's benefit will be excluded from that tenant's income calculation if the increase does not exceed the average consumer price index (CPI) for that year. The current version of the rules provides illustrations of the application of this rule for each year from 2016 through 2020 based on the actual CPI for those years, as well as stating that DOF will post on its website the years for which the application of this rule results in an exclusion of that year's benefit increase. For purposes of NYC Rent Freeze operations as of July 2024, this exclusion rule only applies to the calculation of income for 1) all applications submitted to DOF prior to July 1, 2024, and 2) applications submitted on or after July 1, 2024, by tenants whose benefits began prior to that date and whose total household income would be lower under the income definition in effect prior to DOF's application of the amended definition described above.

DOF has proposed deleting the statement regarding website posting as well as the illustrations and explanations. The comment period for the proposed rule ended on September 13, 2024.

3. Notable Proposals in the New York State Legislature's 2023-24 Session

(a) Higher Income Limit and Annual Consumer Price Index Adjustment

The Rent Freeze income ceiling is fixed by law at \$50,000,²¹ an amount reflecting an increase in 2014 from the previous ceiling of \$29,000. Each New York State legislative session for the past

²¹ The statutory provision setting forth the \$50,000 maximum income must be reapproved periodically and is currently effective through June 30, 2026. If the provision is allowed to lapse, the income ceiling reverts to \$29,000. (NY Real Property Tax Law § 467-b(3))

several years has included proposals to increase that income ceiling or otherwise alter the income calculation to allow more tenants to qualify for the program. Proposals considered during the 2023-24 legislative session include straightforward increases to the income ceiling.²² Another bill raises the ceiling to \$61,000 and, more crucially, provides for a yearly adjustment equal to the increase in the consumer price index.²³ Other proposals leave the ceiling at \$50,000 but would result in a lower income calculation for the tenant by either excluding a source of income that is currently included, such as Social Security benefits, or allowing additional deductions from income, such as unreimbursed medical expenses, union dues, and business losses, all of which are currently unrecognized in Rent Freeze income calculations.²⁴

(b) Income-Based Frozen Rent Calculation

Bill S569/A2974 seeks to repurpose the one-third rule to become an affordability safeguard, rather than simply a restriction of the benefit amount.²⁵ If enacted, this legislation would cap frozen rent at one-third of a tenant's monthly household income, thereby giving the tenant a greater chance of meeting the costs of other basic necessities.

(c) Notification Requirements

Bill S429/A679 aims to enhance tenant awareness by mandating periodic notifications about the program, particularly in conjunction with events that affect rental rates. Should this legislation be enacted, both City and State agencies, as well as landlords operating under housing laws, would be required to include information on potential eligibility for the program in specific tenant communications. Similarly, Bill S6906/A3283 expands the Rent Freeze eligibility notice obligations applicable to landlords from the current annual and new tenant notice requirements to require notices in all rent bills and leases, including renewals.

(d) Language Services

Bill S4349/A8400 would require municipalities to provide language assistance to Rent Freeze participants, including translation of documents into the six most common non-English languages (per municipality), interpretive services upon request, and assistive services upon request or demonstration of need by individuals with physical or cognitive impairments. While the City has its own existing language requirements, these bills would fill numerous gaps remaining in language accessibility throughout the Rent Freeze process.

(e) Two-Year "Income Spike"

Bill S6383 introduces a two-year grace period during which tenants removed from the program due to income ineligibility can regain their previous frozen rent amount if reapproved as initial

²² For example, Bill S1819A/A2122 increases the limit to \$55,000 and Bill S9774/A10291 would raise it to \$75,000.

²³ Bill S2960A/A5741.

²⁴ Bills S1152/A3218 (Social Security and Supplemental Security Income); S717/A6053 (medical expenses); and S705/A827 (union dues and business losses).

²⁵ See recommendation II.B.1 (p. 7) for a description of the one-third rule.

applicants. Under the current framework, the window for reapplication is limited to one calendar year post revocation. The one-year window locks out tenants who experience abnormal income increases—such as those related to seasonal work—that span multiple calendar years, thereby disqualifying them from reverting to their former frozen rent amounts when their income normalizes. Extending the reapplication period to two years would afford tenants the opportunity to retain the intended benefits of the existing legislative framework by reverting to their prior rent levels, depending on their income level upon reapplication.

(f) Program Expansion Based on Rent-to-Income Ratio

With the goal of providing relief to low-income New Yorkers whose financial circumstances are severely constrained due to housing costs, Bill S8994/A2389 would expand program eligibility to any New York City tenant living in a rent regulated apartment and paying at least 50% in household income toward rent, regardless of age or disability status. Per the bill, 10% of the tax revenue lost by the City would be reimbursed by New York State.

Part V: Success Stories

Generating Necessary Documentation Through a Creative Collaboration

A 56-year-old tenant with mental health issues lived with his mother, a SCRIE recipient since 2019. In the summer of 2023, his mother passed away. The landlord was unhelpful in the tenant's efforts to exercise his succession rights and take over the lease. The tenant's uncle, who resides in California, contacted the DRIE ombudsperson for help with his nephew's transition from the existing SCRIE benefit to a new DRIE benefit, and made a request for redetermination of his nephew's frozen rent.

In order to take over a prior tenant's SCRIE or DRIE benefit, the new applicant must provide documentation of succession rights. As in this case, tenants applying to take over a prior tenant's Rent Freeze benefit often report difficulties in obtaining their landlords' acknowledgement of their succession rights. While the legal enforcement of those rights is outside of the scope of the Rent Freeze Program and the authority of DOF, the ombudsperson sought out a practical solution to the tenant's problem. With the uncle's permission, the ombudsperson described the tenant's circumstances to the New York State Department of Housing and Community Renewal (DHCR) and discussed the issue of establishing the tenant's succession rights without formal acknowledgment from the landlord.

In the end, DHCR issued a document confirming the applicant's status as the successor tenant with the right to take over the existing lease. Although the submission of third-party documents was an unorthodox approach to establishing succession rights, OTA worked with DOF's Legal Affairs Division and the Senior and Disabled Programs (SDP) Unit to obtain their approval of the DHCR-issued documents as sufficient for approval of the benefit takeover. Upon consideration of the particular facts in this case as well as the documentation issued by DHCR, both Legal Affairs and the SDP Unit agreed that sufficient proof of succession rights had been established. The ombudsperson's resourceful and collaborative approach resulted in the tenant's acceptance into the DRIE program. Concurrently with the benefit takeover, a redetermination of frozen rent lowered the tenant's rent obligation from \$1,098.81 to \$324.92 and generated a tax abatement credit of \$8,512.79.

Finding Evidence in Support of a Tenant's Appeal

A tenant's renewal application had been denied due to exceeding the income limit. The tenant subsequently amended her taxes to reflect the loss of a large amount of income due to having been the victim of a cybercrime. The tenant filed an appeal of her application denial with her amended taxes as evidence of her change in income, but received notice some weeks later that her appeal had been denied by the Compliance Unit. The denial letter showed that her income calculation had not changed and did not explain why the lost income was not reflected.

With the loss of her SCRIE benefit compounding her concerns about her ability to pay her rent due to her income loss, the tenant contacted OTA. After speaking with the tenant, the ombudsperson reached out to the Compliance Unit. The Compliance Unit explained to the ombudsperson that the tenant's submissions did not provide sufficient evidence to establish that

the tenant had lost her income due to fraud, as opposed to having transferred some of her income voluntarily to another person.

Accordingly, the ombudsperson asked the tenant whether she had additional evidence of the crime she described in her application for appeal. The tenant stated that she had provided a thorough account of the events leading to her income loss to a federal agent to whom she had first reported the crime, but that her case had since been reassigned to another agent who did not pursue the case any further. The ombudsperson asked the tenant whether it might be possible to speak to the agents, and the tenant provided the ombudsperson with a phone number to try. The phone number led the ombudsperson to an office that informed her that the relevant agent had since relocated to another office, and they no longer had his direct contact information.

A series of additional calls eventually led the ombudsperson to the correct agent, who explained to the ombudsperson that, as the investigation of the tenant's cybercrime had not yielded enough evidence for a prosecution, it had since been terminated. The ombudsperson explained the tenant's circumstances to the agent and asked whether it might still be possible to compose a statement containing some of the relevant facts. The agent agreed to ask for his old files to be sent to him so that he could refamiliarize himself with the tenant's case. Soon after, the agent provided the ombudsperson with a written statement describing his investigation and his findings, which supported the tenant's claims regarding her income loss.

The ombudsperson forwarded to the SDP Unit a summary of the tenant's circumstances together with the agent's statement. In consultation with Legal Affairs, the SDP Unit agreed to recalculate the tenant's income, taking into account the reported income loss. Based on the recalculation, the SDP Unit reinstated the tenant's benefit, saving her over \$6,000 in rent for the current lease year and providing her the opportunity to continue in the program.

Providing a Defense to Eviction in a Complicated Case

A pro bono attorney contacted the ombudspersons regarding her client, a tenant with advanced dementia who was in housing court for a nonpayment of rent proceeding and at risk of eviction. The landlord claimed in court that past SCRIE benefit amounts had been miscalculated or had not been transferred, and the tenant was unable to verify her benefit details to deny the landlord's claim. The attorney had reviewed the tenant's SCRIE benefit history and discussed it with colleagues with expertise in the program, but no one could determine how or why SCRIE's basis for calculating the tenant's benefit had changed over the years, nor could they explain why her client's rent remained frozen at the higher legal maximum, rather than the preferential rate even after passage of the 2019 New York State Housing Stability and Tenant Protection Act (HSTPA). Despite several attempts, the attorney received no response to inquiries submitted to SCRIE online and was unable to reach a person by phone to discuss the issues underlying the landlord's case, even after obtaining court-ordered subpoenas for information regarding SCRIE's calculations.

The tenant in question had paid a preferential rent throughout her time on the Program, which should have resulted in adjustments to the tenant's benefit calculation under a series of rule

changes stemming from the passage of the HSTPA, including new rules promulgated by DOF in 2021 and 2023, respectively. The ombudsperson's review showed that, while the tenant had properly renewed her benefit without pause, changes in the calculation of the landlord's TAC either did not account for, or did not timely reflect, the changes in the applicable rules post-2019. The ombudsperson performed a set of calculations based on the timing of the tenant's past benefit renewals in relation to the effective dates of each rule change, as well as correcting a processing error with respect to the most recent lease renewal term. The resulting figures, which the ombudsperson conveyed to the SCRIE Unit with explanations for each adjustment over the history of the benefit, showed more than \$37,000 in retroactive abatements to be conveyed to the landlord. Based on the ombudsperson's submission, the SCRIE Unit agreed to recalculate the tenant's past benefit periods.

The clarification and corrections of the past TAC calculations and the ensuing transfers to the landlord brought the housing court proceeding to a close and allowed the tenant to remain securely in her apartment without fear of eviction.

Making an Exception to Meet a Tenant's Needs

A DRIE applicant reached out to OTA for assistance in completing his initial application. The applicant had previously submitted his current and prior leases but was seeking clarification as to why DOF had requested his current lease once again. As an added challenge, the applicant was legally blind, and the case therefore required special attention on the part of the ombudsperson.

After reviewing the applicant's prior submission, the ombudsperson found that the rent in the current lease reflected a 2.5% increase instead of the 5% increase prescribed by the Rent Guidelines Board. While OTA generally will not take the place of the tenant in requesting a lease correction from management, the ombudsperson made an exception in this case due to the significant obstacles and disadvantages faced by the tenant in dealing with his building's management. The ombudsperson contacted the management directly to discuss the lease issue. In their conversation with the ombudsperson, management apologized for the error and arranged for a corrected lease to be provided to the tenant.

The ombudsperson provided the missing document to the SDP Unit and described the tenant's circumstances. In response, the SDP Unit expedited its review and approved the tenant's application within days. As a result, the applicant will pay \$994.80 less in rent over the course of his current lease period.

Part VI: DOF Actions on Prior Recommendations

The following entries describe the status of recommendations made by the ombudspersons in the prior fiscal year's annual report. Italics in this section indicate the text of recommendations as they appeared in the prior annual report.

2022-23: Standardization

Recommendation: DOF should establish a standardized protocol for all personnel responding to SCRIE or DRIE status inquiries, which includes:

- I. Defining the components of a complete response to an application status request and determining the scope of response available through a 311 call.*
- II. Identifying a standard set of minimum inputs required from participants to check their status.*
- III. Implementing a mechanism allowing staff to confirm, within a few days of physical receipt, whether a document or any form of transmission has been received by SCRIE and entered into the review queue.*
- IV. Specifying the level of access to information/documents needed for personnel to examine submitted materials and cross-reference them with processors' notes in the application system.*

DOF Action: DOF is actively working to improve the standardized protocol for handling SCRIE and DRIE status inquiries. This includes ensuring consistency in internal staff instructions and external customer communications, with a unified tone and messaging. As part of these improvements, DOF is working with its third-party vendor to bring initial applications into the workstream already in place for renewal applications and other program forms. This change in the processing of initial applications aims to streamline the review process, reduce the number of inquiries related to application status, and allow authorized DOF personnel to provide more timely and accurate information regarding the status of initial applications.

2022-23: Capacity and Wait Times

(A) Dedicated Status Response Inquiry Page

Recommendation: DOF should create a web inquiry page and/or email address exclusively for handling application status inquiries to improve response times and quality of service.

DOF Action: At the present time, DOF intends to focus on providing responses to inquiries via its existing CRM system. OTA will discuss with the Property Division whether CRM can and should be configured to disaggregate status inquiries to be handled by specific staff or on a separate timeline. Additionally, DOF is actively working on reallocation of staff to address high wait times on the customer service lines.

(B) Chatbot

Recommendation: DOF should resume its investigation into the viability, implementation timeline, and associated costs of incorporating a chatbot and/or voicebot, aiming for seamless integration with other customer service improvements.

DOF Action: A DOF chatbot is currently in its pilot stage and a voicebot solution is in progress for a number of other areas within DOF. DOF is considering expanding these projects to include the Rent Freeze Program.

(C) MyCity Portal

Recommendation: DOF should continue to work towards integrating all Rent Freeze application procedures, benefit details, and online submission interfaces into the MyCity Portal for comprehensive, user-friendly access.

DOF Action: DOF has contributed to efforts to integrate its programs into the MyCity Portal. The project is ongoing.

2022-23: Improvements to Forms and Other Program Materials

(A) Application Streamlining

Recommendation: DOF should conduct a comprehensive review of the design and content of Rent Freeze applications, particularly the initial and renewal applications, emphasizing changes aimed at enhancing successful entry and renewal rates within the program. Moreover, DOF should explore other Rent Freeze application process simplifications, such as expanding the use of streamlined application forms like the existing short-form renewal.

DOF Action: DOF has established a working group dedicated to reviewing and redesigning Rent Freeze materials, including applications and reference materials. To ensure that the needs and concerns of a wide range of stakeholders are addressed in each redesign, the working group includes personnel from multiple DOF units, including External Affairs, the Senior and Disabled Programs Unit within the Property Division and Legal Affairs, as well as OTA. So far, the group has completed a new, more streamlined Rent Freeze application that can be used for both initial and renewal applications and is moving forward with its review of the other Rent Freeze application documents.

(B) External Requests for Rent Freeze Materials

Recommendation: Building upon the initial steps taken by its External Affairs Division, DOF should institute and prominently feature on its website a streamlined procedure for external partners to obtain Rent Freeze Program materials for distribution within their organizations.

DOF Action: DOF is assessing whether an enhancement to the website is needed for handling external requests for Rent Freeze materials. Meanwhile, DOF is coordinating with other City agencies, such as the Department for the Aging, to optimize the distribution process, ensuring full integration of resources and comprehensive support across all channels.

(C) Site Guidance for Tenant Access Portal

Recommendations: To improve the user experience, DOF should incorporate visual aids and simple, step-by-step instructions directly within the TAP interface. This will make the process more manageable for individuals who may struggle with online navigation. In addition, DOF should explore options that would establish support specifically for TAP and other online submissions. This support should be equipped to handle a range of technical issues, ensuring that users can easily resolve any challenges they encounter while using the portal.

DOF Action: DOF agrees with this recommendation and is exploring solutions for implementation.

(D) Adaptations for Visual Impairments

Recommendation: DOF should actively investigate methods to further enhance the accessibility of the Rent Freeze Program application process for individuals with a range of visual impairments.

DOF Action: In connection with a DOF website overhaul, OTA spoke with internal partners who made improvements to Rent Freeze webpages pursuant to this recommendation. OTA plans to continue these discussions with DOF personnel, including user experience and user interface designers, to further enhance website accessibility.

2022-23: Early Notification of Program Features

Recommendation: Alongside each initial SCRIE/DRIE approval letter and benefit takeover approval letter, DOF should include a “welcome packet” that clearly and concisely lists key features of the Rent Freeze Program, emphasizing those aspects that are time-sensitive. This approach will equip tenants with the necessary knowledge to fully benefit from the program.

DOF Action: OTA is designing a Rent Freeze “welcome packet” in coordination with internal partners, including the Property and External Affairs Divisions and the materials overhaul team described above, in connection with the 2023 recommendation for Application Streamlining.

2022-23: Procedure for DOF-HPD Rent Freeze Issues

Recommendation: DOF should revise its current denial letter to applicants who live in housing types where SCRIE is administered by HPD. DOF should also collaborate with HPD to establish a standard referral system.

DOF Action: DOF is working to revise the denial letter to more clearly instruct applicants living in HPD buildings that they can apply with HPD. Furthermore, DOF is exploring potential solutions for a referral system, such as a secure portal and other methods to improve data exchange.

2022-23: Applied Artificial Intelligence

Recommendation: To take advantage of AI’s potential, DOF should form a multi-unit working group focused on identifying and implementing AI applications within the Rent Freeze Program. This group should involve personnel with expertise in technology, customer service, and

program management, ensuring a comprehensive approach to integrating AI. The group can begin by identifying immediate areas where AI can offer quick wins and proceed to develop a long-term strategy for its implementation, affecting both customer interaction and internal operations.

DOF Action: DOF is evaluating divisional needs and identifying measurable outcomes prior to implementing AI solutions to the Rent Freeze Program.

APPENDIX I

Ombudspersons’ Case and Inquiry Dollar Impact by City Council District

District/ Council Member	Number of Inquiries				Number of Cases				\$ Impact*			
	FY2021	FY2022	FY2023	FY2024	FY2021	FY2022	FY2023	FY2024	FY2021	FY2022	FY2023	FY2024
1 C. Marte	11	13	28	36	14	9	11	17	\$52,219	\$18,308	\$8,854	\$55,777
2 C. Rivera	21	15	38	45	20	6	10	18	\$12,333	\$16,029	\$16,957	\$57,433
3 E. Bottcher	37	35	56	66	32	23	28	29	\$45,105	\$57,477	\$97,456	\$87,513
4 K. Powers	19	15	46	39	21	13	14	30	\$16,737	\$39,496	\$58,108	\$180,518
5 J. Menin	20	13	28	37	18	8	18	19	\$37,265	\$906	\$57,166	\$62,460
6 G. Brewer	26	30	40	55	18	20	26	43	\$54,240	\$16,309	\$79,030	\$122,749
7 S. Abreu	23	28	60	52	14	24	30	27	\$79,107	\$47,988	\$99,452	\$95,717
8 D. Ayala	9	8	15	13	7	3	7	13	\$11,016	\$2,272	\$14,776	\$27,971
9 Y. Salaam	15	19	31	34	14	7	8	19	\$26,082	\$5,016	\$11,784	\$33,373
10 C. De La Rosa	57	51	92	114	45	36	39	69	\$108,004	\$106,196	\$136,650	\$351,469
11 E. Dinowitz	19	15	31	27	6	13	14	9	\$3,382	\$14,950	\$54,932	\$23,774
12 K. Riley	12	6	20	19	5	4	7	2	\$26,591	\$23,931	\$7,137	\$0*
13 K. Marmorato	10	7	12	16	10	7	9	8	\$22,933	\$20,436	\$11,192	\$16,534
14 P. Sanchez	31	19	30	52	20	13	15	20	\$32,551	\$49,735	\$58,555	\$74,892
15 O. Feliz	11	13	34	27	11	10	8	20	\$7,319	\$7,544	\$25,380	\$32,841
16 A. Stevens	18	22	18	24	13	20	11	19	\$30,776	\$17,118	\$29,152	\$14,184
17 R. Salamanca Jr.	6	7	16	14	10	6	7	7	\$6,180	\$2,328	\$27,617	\$29,053
18 A. Farías	8	7	12	9	8	5	4	4	\$7,342	\$19,577	\$5,600	\$953
19 V. Paladino	5	1	5	8	3	0	4	2	\$5,010	\$0	\$32,862	\$7,372
20 S. Ung	9	16	25	27	13	28	17	15	\$10,728	\$108,184	\$85,789	\$54,130
21 F. Moya	6	7	10	6	4	3	3	12	\$21,577	\$1,524	\$16,116	\$10,158
22 T. Cabán	6	7	10	19	5	5	7	9	\$24,641	\$15,639	\$7,596	\$12,816
23 L. Lee	6	6	3	17	10	6	6	3	\$22,297	\$684	\$1,329	\$28,647
24 J. Gennaro	12	7	23	15	3	4	7	9	\$2,629	\$15,736	\$24,008	\$34,916
25 S. Krishnan	10	7	30	20	6	10	14	16	\$13,675	\$11,391	\$97,184	\$66,455
26 J. Won	11	7	14	16	8	12	8	19	\$13,298	\$38,477	\$8,801	\$66,473
27 N. Williams	4	4	9	11	6	5	10	6	\$7,322	\$5,547	\$14,987	\$18,690
28 A. Adams	1	1	0	1	0	0	0	0	\$0	\$0	\$0	\$0*
29 L. Schulman	18	19	33	20	17	17	11	5	\$28,303	\$52,478	\$84,772	\$33,366
30 R. Holden	2	2	7	0	2	1	3	2	\$3,584	\$543	\$2,326	\$7,285
31 S. Brooks-Powers	6	6	5	1	6	2	1	3	\$6,088	\$0	\$338	\$11,970
32 J. Ariola	5	4	6	7	2	2	3	2	\$2,038	\$6,427	\$7,007	\$145
33 L. Restler	6	4	11	15	8	5	10	6	\$7,801	\$19,923	\$18,086	\$7,755

District/ Council Member	Number of Inquiries				Number of Cases				\$ Impact*			
	FY2021	FY2022	FY2023	FY2024	FY2021	FY2022	FY2023	FY2024	FY2021	FY2022	FY2023	FY2024
34 J. Gutiérrez	10	7	13	21	9	2	7	8	\$6,377	\$0	\$8,650	\$24,404
35 C. Hudson	11	11	16	30	12	5	12	17	\$11,259	\$4,748	\$8,777	\$53,993
36 C. Ossé	3	2	7	12	10	1	2	4	\$18,062	\$229	\$778	\$6,857
37 S. Nurse	6	3	4	6	9	2	4	5	\$4,853	\$3,853	\$749	\$12,458
38 A. Avilés	3	8	6	10	4	1	4	4	\$1,773	\$486	\$728	\$35,150
39 S. Hanif	12	9	11	22	18	10	5	12	\$26,921	\$39,750	\$8,516	\$71,435
40 R. Joseph	25	21	45	46	24	12	15	34	\$43,688	\$17,343	\$46,974	\$97,251
41 D. Mealy	14	9	16	12	10	11	3	6	\$2,581	\$15,270	\$1,858	\$4,974
42 C. Banks	4	6	10	5	2	2	3	4	\$1,291	\$0	\$14,749	\$3,782
43 S. Zhuang	7	13	14	29	5	10	8	27	\$3,640	\$12,815	\$18,006	\$95,717
44 K. Yeger	8	6	19	14	6	3	6	6	\$22,255	\$6,808	\$59,960	\$25,026
45 F. Louis	18	9	11	14	15	6	8	5	\$49,989	\$6,372	\$31,708	\$5,753
46 M. Narcisse	4	4	3	4	5	1	0	0	\$21,329	\$0	\$0	\$0*
47 J. Brannan	8	10	9	5	3	3	2	3	\$17,075	\$14,945	\$9,134	\$574
48 I. Vernikov	20	14	23	34	9	5	7	8	\$36,580	\$8,704	\$40,499	\$34,051
49 K. Hanks	0	4	5	6	1	1	6	1	\$407	\$0	\$8,614	\$1,314
50 D. Carr	1	0	3	6	3	1	5	2	\$4,320	\$0	\$9,129	\$1,250
51 J. Borelli	0	0	0	0	0	0	0	0	\$0	\$0	\$0	\$0
N/A**	7	27	50	48	1	8	7	9	\$0	\$0	\$0	\$0*
Total	621	584	1063	1186	525	411	474	637	\$1,020,572	\$873,490	\$1,469,827	\$2,101,378

*Because dollar impact is calculated according to increases in tax abatement credit, matters that do not implicate a change in the tax abatement credit amount (e.g., a renewal without a rent increase) can result in a \$0 dollar impact even if successfully resolved.

**Inquiries from persons outside of the five boroughs or where the tenant's address was not provided were categorized as "N/A" for purposes of this chart.

APPENDIX II

Glossary of Terms

Appeal: A request, which may be submitted on the DOF Application for Appeal, for reconsideration of a DOF determination. Most often, appeals ask for reexamination of denied Rent Freeze applications or revoked Rent Freeze benefits.

Benefit Takeover Application: An application to assume the benefit of a Rent Freeze Program beneficiary who has died or permanently vacated the apartment.

CBO: Community-based organization.

CRM: DOF's internal customer relations management software system.

DHCR: The New York State Division of Homes & Community Renewal.

DOF: The New York City Department of Finance.

EEO: DOF's Office of Equal Employment Opportunity.

Frozen Rent: The amount of reduced rent, set in accordance with the applicable Rent Freeze Program laws, that the tenant must pay to the landlord.

HPD: The New York City Department of Housing Preservation and Development.

HSTPA: The New York State Housing Stability and Tenant Protection Act of 2019.

Legal Rent: The maximum rent that a landlord can charge a tenant for a rent-regulated unit according to applicable law.

MCI: Major capital improvement. Authorization of an MCI by DHCR generally includes a rent increase to compensate a landlord for the cost of building-wide renovations.

Preferential Rent: DHCR defines "preferential rent" as a rent that an owner agrees to charge that is lower than the legal regulated rent the owner could lawfully collect.

Reasonable Accommodation: In the context of DOF programs, a reasonable accommodation is a modification or adjustment to program requirements that is necessary for an applicant or program participant with an impairment to apply for or participate in the program. For Rent Freeze applicants, the most common requests involve an extension of time given as a reasonable accommodation for a person with an impairment to complete the renewal process. Applications for reasonable accommodation are referred to the DOF's disability service facilitator in its EEO.

Redetermination: An adjustment to a tenant's frozen rent amount after a permanent loss of 20% or more of the tenant's combined household income as compared to the income reported in the tenant's last approved application. In order to be considered for a redetermination, a tenant must submit a redetermination application to the Rent Freeze Program or request a redetermination review in the designated area on a benefit takeover application.

SDP Unit: The Senior and Disabled Programs Unit within DOF's Property Division. The SDP Unit is responsible for administering the Rent Freeze Program and certain other tax benefits.

TAC: Tax abatement credit. The amount credited on a landlord's property tax bill in accordance with the Rent Freeze Program.

Tenant Representative: A person designated in writing by a tenant to receive copies of all SCRIE or DRIE notices sent to the tenant. A tenant representative can assist the tenant with the application process.