



Public Advocate for the City of New York

**FROM LOW SERVICE TO NO SERVICE:
HOW THE CITY FAILS ELDERLY
LOW-INCOME RENTERS**

A Report by Public Advocate for the City of New York

**PUBLIC ADVOCATE BETSY GOTBAUM
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Executive Summary

The Senior Citizen Rent Increase Exemption (SCRIE) program exempts certain low-income senior citizens in New York State from rent increases and allows landlords to deduct the exempted increase from property taxes. The Public Advocate's Office examined New York City's management of the SCRIE program in response to reports that seniors are forced to wait many months, and in some cases over a year, before they are deemed eligible for assistance. The Public Advocate's Office identified additional problems that could explain why many eligible seniors do not enroll in the program.

Findings

The report's major findings include:

- Forty percent of all SCRIE applications took more than 90 days to be processed in 2004.
- The average application processing time for cases examined by the Public Advocate's Office was over 7 months.
- Seniors often have to pay rent increases because the Department for the Aging (DFTA), which administers SCRIE, does not process their applications before the increases take effect.
- Some seniors are unable to obtain reimbursement from their landlords once they are deemed eligible for SCRIE.
- DFTA staff frequently loses essential paperwork related to SCRIE applications.
- Just 38.5 percent of eligible households are currently enrolled in the SCRIE program. More than 72,000 eligible households do not participate.
- DFTA fails to sufficiently advertise the program and reach out to potential beneficiaries.
- Inaccuracies exist within the primary sources of SCRIE-related information provided by DFTA.

Recommendations

To better administer the SCRIE program, the Public Advocate recommends that the Department for the Aging take the following steps:

- Improve the processing time for applications.
- Report more detailed information related to the processing of SCRIE applications.
- Consider ways to streamline the SCRIE benefit renewal process.
- Investigate the problem of DFTA staff losing applicants' paperwork.
- Ensure that SCRIE participants who are forced to pay added rent while awaiting a determination of eligibility are reimbursed.
- Expand efforts to educate seniors about SCRIE and enroll them in the program.
- Review all SCRIE-related information for accuracy, consistency, and clarity.

So that more low-income, elderly households can receive assistance through SCRIE, the Public Advocate recommends the following:

- The State Legislature should increase the maximum allowable income for SCRIE eligibility.
- The State Legislature should pass A.2242, which would exclude all unreimbursed medical and prescription drug expenses when determining seniors' income eligibility for SCRIE benefits.
- The State Legislature should consider other measures to increase the number of low-income seniors eligible for SCRIE.

Introduction

The Senior Citizen Rent Increase Exemption (SCRIE) program exempts certain low-income senior citizens in New York State from rent increases and allows landlords to deduct the exempted increase from property taxes. The Public Advocate's Office examined New York City's management of the SCRIE program in response to reports that seniors are forced to wait many months, and in some cases over a year, before they are deemed eligible for assistance. In the meantime, these seniors must pay rent they cannot afford or, in some cases, face eviction. The Public Advocate's Office identified additional problems that could explain why so many eligible seniors do not enroll in the program.

Renters qualify for SCRIE benefits if:

- They live in a rent-regulated apartment or hotel unit;
- They are 62 or older;
- Their annual household income is \$24,000 or less; and
- Their rent is more than 1/3 of their household income, or increasing to more than 1/3 of their income.

Tenants who live in a Public Housing Authority Project or receive Section 8 rental subsidies do not qualify for SCRIE benefits.¹

The New York City Department for the Aging (DFTA) administers SCRIE for rent-regulated (rent-stabilized and rent-controlled) apartments, while the Department of Housing Preservation and Development administers a separate SCRIE program for Mitchell-Lama rentals and certain co-op apartments. The focus of this report is the DFTA-administered SCRIE program.

Part I: DFTA Is Slow to Process Applications and Seniors Are Left to Pay the Bill

Applying to participate in the SCRIE program is a frustrating process for many seniors. The Public Advocate's Office includes an Ombudsman Unit to assist New Yorkers who have complaints, problems, or inquiries involving city, state, and federal agencies. Individuals contact the Unit to report problems with pending SCRIE applications (both first-time and renewal applications), including lengthy processing delays and problems with DFTA losing or misplacing essential paperwork. When these low-income seniors are unable to obtain a prompt determination of eligibility from DFTA, many are forced to front the cost of rent increases for months, even though they qualify for the exemption. Once a senior is approved for SCRIE, the rent increase exemption is supposed to apply retroactively, generally starting on the first day of the month after DFTA received the

¹ SCRIE Application, New York City Department for the Aging. Accessed at <http://www.nyc.gov/html/dfta/pdf/scrie.pdf>, Dec. 17, 2004.

individual's SCRIE application.² Despite this provision, some seniors report they are unable to recoup back-payments from their landlords.

Since January of 2002, 40 individuals have contacted the Ombudsman Unit to report problems with pending SCRIE applications.³ It is likely that only the savviest seniors actively turn to the Public Advocate's Office for assistance and that their complaints are indicative of more widespread problems with SCRIE applications.

Representatives from DFTA have acknowledged the existence of an application backlog, admitting that the SCRIE staff has been unable to issue prompt determinations of eligibility to many applicants.⁴ Likewise, advocates working with seniors are familiar with complaints about the SCRIE application process.

"Applying to SCRIE is unnecessarily nerve-wracking for seniors," says Kathleen, a coordinator at a senior center in Queens, who wished to remain anonymous.⁵ "Long waits for SCRIE approval are scary to seniors who are worried about ending up on the street. Many seniors waiting to hear from SCRIE have to borrow money to pay their rent. Once they are approved they have a hard time getting their landlords to pay them back."

Findings

An inquiry by the Public Advocate's Office revealed that:

- **Forty percent of all SCRIE applicants (14,500 out of 36,535) waited more than three months for a determination of eligibility in 2004.**⁶

A review of 18 cases handled by the Public Advocate's Office in 2004 involving pending SCRIE applications found that:

- **The average application processing time for the cases examined was over seven months.** It is likely that for many seniors the processing time is even longer given that most cases examined for this report were resolved as a result of the Public Advocate's intervention.

An elderly man in Queens waited as long as 17 months to receive DFTA's approval for renewal of his SCRIE benefits. A Manhattan woman's renewal application was held up for thirteen months. DFTA workers consistently attribute such delays to a backlog of applications.

² "Your Guide to the Senior Citizen Rent Increase Exemption Program," New York City Department for the Aging, p. 12.

³ The Public Advocate's Office has received 96 calls related to SCRIE since Jan. 2002. Forty pertained specifically to problems with pending applications. The other 56 calls involved a range of topics, including requests for information about SCRIE and questions about appealing a SCRIE determination.

⁴ Phone conversation with a DFTA representative, Jan. 6, 2005.

⁵ Phone conversation Dec. 20, 2004.

⁶ Phone conversation with a DFTA representative, Jan. 6, 2005.

While workers have acknowledged the existence of a backlog, DFTA recently reported that the average processing time for new SCRIE applications handled from March through June of 2004 was 34 days.⁷ This disconnect, however, can likely be explained by the fact that DFTA does not include renewal applications⁸ or applications which are deemed incomplete when calculating the average processing time.

This is problematic given that renewals comprise the bulk of the applications handled by DFTA. In FY04 renewals comprised 76 percent of the total applications received. Additionally, an application can be deemed incomplete if DFTA staff loses paperwork. As noted below, seniors report that this occurs quite frequently.

- **Seniors often have to pay rent increases because DFTA does not process their applications before the increases take effect.** Whether a SCRIE applicant pays increased rent during the application process depends on the effective date of his/her impending rent increase.

In seven of the cases handled by the Public Advocate's Office, the applicants had to pay increased rent while awaiting approval from DFTA. In each instance, application materials were submitted to DFTA well in advance of the respective rent increase dates.

Having to pay increased rent can be a source of great worry for low-income seniors. Some may be forced to turn to family or friends for financial help or may need to cut back on other critical expenses in order to make ends meet. Worse yet, seniors with nowhere to turn may have no choice but to give up their apartments or wait to be evicted.

- **Some seniors are unable to obtain reimbursement from their landlords once they are deemed eligible for SCRIE.** DFTA states that landlords are required to reimburse SCRIE beneficiaries for any increased rent paid during the application process,⁹ but some seniors report difficulties in dealing with their landlords directly. Unfortunately for these seniors, DFTA does not follow up to ensure that reimbursement occurs.

One elderly woman living in Brooklyn who contacted the Public Advocate's Office paid eight months of increased rent while waiting for her SCRIE application to be processed. Once her application was approved, she contacted her

⁷ "The Mayor's Management Report, Fiscal 2005 Preliminary" City of New York, February 2005, p. 42. Also, phone conversation with a DFTA representative Feb. 22, 2005 established that the average was based on applications handled March through June of 2004.

⁸ Individuals accepted into the SCRIE program must re-certify their eligibility for benefits every year or two years, depending on the type of lease they have.

⁹ "Your Guide to the Senior Citizen Rent Increase Exemption Program," New York City Department for the Aging, p. 12.

landlord for a reimbursement. Her landlord continues to promise payment, but she is still waiting to receive the money.

Another elderly woman in Queens who has been waiting for reimbursement from her landlord for weeks ultimately decided to deduct what she was owed -- \$280 -- from her most recent rent payment. She is anxiously waiting to see her landlord's reaction to this tactic, which she adopted as a last resort.

- **DFTA staff frequently loses essential paperwork related to SCRIE applications.** This occurred in at least nine of the cases handled by the Public Advocate's Office.¹⁰

It is frustrating for seniors to submit all of the required documents only to hear from DFTA months later that a certain form he or she submitted has gone missing. Applicants report spending significant time and energy procuring and submitting documentation multiple times.

One woman reported that DFTA lost her paperwork five times – even after she twice delivered it by hand to the SCRIE office. Another woman reported that DFTA lost her application three times. In the end she sent it by priority mail so she would have proof that it was sent and received.

One case is still pending after seven months due to a dispute over lost paperwork. DFTA notified the applicant that a certain document was missing and the woman submitted it promptly by mail. The Department, however, states that it still has not received the document in question and will not process her application until it is received.

These problems are particularly troubling given that seniors are our City's most vulnerable population. Seniors who are sick or otherwise frail, or those who speak a language other than English, may be entirely unable to advocate for themselves.

Case Examples

Below is a sampling of the complaints received by the Public Advocate's Office. In each case, the Public Advocate's Office contacted DFTA on behalf of the constituent in an effort to resolve the matter.

Case 1

Received: Jan. 27, 2004

The following complaint was sent by a woman on behalf of her grandfather, who submitted his SCRIE renewal application to DFTA in September of 2002:

“In March 2003 the Department for the Aging requested the original lease and the current lease which we mailed and then faxed...Repeated calls to the agency are fruitless as we are advised that the application is being processed...My grandfather is a senior citizen

¹⁰ Based on conversations with 14 of the 18 complainants who were reachable by telephone.

who suffers from debilitating arthritis in his hip and knee joints. He is consumed with worry over this matter...Please help us as this matter is affecting his mental well-being.”

DFTA took 17 months to approve the man’s application. He was required to pay full rent while waiting for approval.

Case 2

Received: June 23, 2004:

“I applied for the senior citizen rent increase exemption in March of this year[.] I am 64 years old. M[y] new apartment lease went into effect [J]une 15. When I didnt [sic] hear from SCRIE by the end of May I called them on the phone. They told me that they had no application for me. I know I sent it in and I assume they lost it. I then went to the [SCRIE] office and reapplied I believe that was at least two and a half weeks ago. They informed me in the SCRIE office that [I] would get a response within a week. I have called them twice without getting any information.”

This man had to wait eight months to be approved by the SCRIE office, during which time he was forced to begin paying his increased rent.

Case 3

Received: Sept. 28, 2004

“I am writing in regards to my application for SCRIE, a benefit program administered by the New York City Department for the Aging...I contacted the agency several days ago to check on the status of the application. The representative at the agency told me that my application was still being reviewed. When asked when a decision will be made, an answered was not given to me. I am told to be patient but my application has been under review for 4 months. This is rather unreasonable I would say.”

Seven months after she applied for SCRIE, this woman still has not received approval. DFTA continues to report that her application is “in final review.”

Case 4

Received: Sept. 29, 2004:

“Please help me find out what is happening to my rent exemption application since I submitted it in March. I called the Aging Department today but I was not told when I can expect an answer. How long does it take to process an application? To make things worse my rent is going up on October 1, 2004, when my lease comes up for renewal...I hope my case is not lost somewhere in the system.”

DFTA took seven months to approve this application, during which time the woman was forced to pay increased rent.

Case 5

Received: Oct. 3, 2004

The Public Advocate received the following complaint from an elderly woman in Queens who mailed a SCRIE renewal application to DFTA in March of 2004:

“I am very distressed about the status of my application for SCRIE. I spoke with a representative at the Aging Department who informed me that my status indicates I failed to recertify for my rent exemption benefits. In actuality, I mailed in my application renewal twice. My last application was submitted in July. It is now October and I am still being told that I failed to recertify. What has happened to my application in the 3 months that have passed? Was it mislaid? No one at the Department can seem to give me an answer.”

As a result of the delay, this woman was forced to pay increased rent. She was recently re-approved for SCRIE after an eight-month wait, but has not yet been reimbursed by her landlord for the increased rent paid that period.

Inside DFTA

The preceding cases are corroborated by the following complaint, which an anonymous individual sent to the Public Advocate’s Office in August of 2004:

“As an employee of the NYC Dept. for the Aging, I am asking your office to conduct an audit of the agency. The Senior Citizen Rent Increase Exemption Program (SCRIE) is grossly mismanaged. Applications sit for weeks while applicants await their approval/denial. Frequently the six month grace period¹¹ for recertifications elapses while the senior waits while being harassed by the landlord for the full rent. Mail submitted in response to requests for missing documentation frequently gets lost making the senior have to resubmit it. Don’t allow the supervisors, Director and Assistant Commissioners to paint a glowing picture and fudge the numbers... I wish to remain anonymous but believe this matter should be addressed by your office.”

Part II: The City Fails to Reach over 60 Percent of Eligible Seniors Due to a Lack of Outreach

As of November 23, 2004, there were 45,164 households enrolled in the SCRIE program, according to DFTA.¹² By comparison, a 2003 study by the Independent Budget Office found approximately 117,400 households to be eligible for the program.¹³ These numbers indicate that just 38.5 percent of eligible households are currently enrolled in the program. More than 72,000 eligible households do not participate.

¹¹ When a tenant’s exemption period expires, landlords are required to extend the SCRIE authorized rent for up to six months. “Your Guide to the Senior Citizen Rent Increase Exemption Program,” New York City Department for the Aging, p. 13. Also NYC Administrative Code §26-509a(5).

¹² Phone conversation with a DFTA representative, Nov. 23, 2004.

¹³ “Testimony of Theresa J. Devine, Senior Economist, Before the City Council Committee on Aging, on Proposed Expansion of the Senior Citizen Rent Increase Exemption and the Senior Citizen Homeowners Exemption,” Independent Budget Office. Accessed at <http://www.ibo.nyc.ny.us/iboreports/SCRIEOct2003.pdf>, Nov. 8, 2004.

Findings

The low level of enrollment in SCRIE is troubling. It is likely that many non-participating, eligible households are struggling to keep up with their rent and may be facing eviction when they could be receiving assistance through SCRIE.

“SCRIE is a great benefit for seniors, helping them pay their rent,” says Bobbie Sackman, Director of Public Policy at the Council on Senior Centers and Services. “The Department for the Aging needs to do more aggressive outreach to get the word out to thousands of eligible seniors unaware about SCRIE.”

The Public Advocate’s Office has identified a lack of outreach and the existence of inaccurate SCRIE-related information as two major barriers to SCRIE enrollment.

- **DFTA fails to sufficiently advertise the program and reach out to potential beneficiaries.** According to a DFTA representative, the Department relies primarily on print and web-based materials to advertise the SCRIE program.¹⁴

DFTA publishes a number of brochures, fliers, and guides containing information with varying levels of detail on the SCRIE program, that it distributes primarily at senior centers and DFTA-sponsored events. Additionally, the Department mails SCRIE-related information to the offices of elected officials in hopes that information will be passed along to constituents.¹⁵

DFTA also provides information on SCRIE eligibility and benefits on its web site; however, this type of information is available only to those with Internet access and technological know-how.¹⁶

Individuals who do not use the Internet and do not attend a senior center or DFTA-sponsored events are unlikely to learn about the SCRIE program.

- **Lacking a strong advertising campaign of its own, DFTA seems to hope others can get the word out instead.** The Department states that it relies on word-of-mouth to educate seniors about SCRIE – hoping that individuals will learn of the program through friends and neighbors who already receive benefits.¹⁷ While word of SCRIE may spread through seniors’ social circles, it is likely that the effect will be limited.

The Department also has expressed hope that kind-hearted landlords will take it upon themselves to inform eligible tenants of the SCRIE program¹⁸ -- a hope which seems ill-founded.

¹⁴ Phone conversation with a DFTA representative, Dec. 6, 2004.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

Although landlords receive tax abatement credits in lieu of tenants' rent, they are expected to assist DFTA in verifying tenants' eligibility, provide tenants with rental documents, monitor quarterly SCRIE statements for accuracy, and keep the SCRIE office abreast of changes in rent, building status, ownership, management, and tenant status.

Many landlords are likely to view their tenants' participation in SCRIE as burdensome and as a result are unlikely to go out of their way to inform un-enrolled tenants of the program.

- **Inaccuracies exist within the primary sources of SCRIE-related information provided by DFTA.** DFTA publishes a reference guide, "HOW TO GET THEM... A Benefit Guide for Older New Yorkers," which provides detailed information on government programs for older adults.

The Public Advocate's Office picked up a copy of this publication at a DFTA event in October of 2004. The guide, which is clearly marked with a sticker labeled "2004 Update," states that to be eligible for SCRIE a household's total income "cannot exceed \$20,000." In actuality the income limit was raised from \$20,000 to \$24,000 in 2003.¹⁹ It is likely that this error has led people to incorrectly conclude that they do not qualify for SCRIE.

The Department operates an informational phone line (212-442-1000) to provide information about various programs and services for seniors.

Individuals interested in SCRIE can choose to hear a recorded message about the program, which includes a description of program eligibility criteria. The recording states that an applicant must "live in a rent-stabilized, rent-controlled, or rent-regulated hotel unit." The use of the term "hotel unit" in the statement is confusing. Although the program is open to qualified individuals living in certain hotel units, it is also open to those in non-hotel apartment buildings. The failure to include the word "apartment" may lead individuals to erroneously assume they are ineligible for SCRIE.

In addition to these two specific examples, the Public Advocate's Office also found conflicting descriptions of eligibility within DFTA online and print materials.

¹⁹ The income limit was raised from \$20,000 to \$24,000 by Local Law 67 of 2003. This was enacted on November 13, 2003 and was effective retroactive to Sept. 1, 2003. Accessed at http://www.nycouncil.info/pdf_files/bills/law03067.pdf, Jan. 11, 2004.

Part III: Conclusions and Recommendations

Low-income senior citizens seeking acceptance into the SCRIE program are already burdened with financial hardships and should not be forced to wait months on end for approval, be forced to submit documentation multiple times, or have to pay increased rent as a result of DFTA's sluggish approval process. Furthermore, low-income seniors struggling to cover rising rent costs should not be kept in the dark with regard to readily available assistance.

To better administer the SCRIE program, the Public Advocate recommends that the Department for the Aging take the following steps:

- **Improve the processing time for applications – both first-time applications and renewals.** DFTA should investigate factors contributing to delays in the processing of applications and should provide all applicants with a timely determination of eligibility. Additionally, the Department should pay special attention to lease renewal and rent change effective dates to ensure that applicants facing immediate rent increases are provided prompt consideration. This would reduce the number of seniors who must pay increased rent while awaiting SCRIE approval.
- **Report more detailed information related to the processing of SCRIE applications.** Currently, DFTA reports SCRIE-related data twice annually as a part of the Preliminary and Final Mayor's Management Reports. The indicators on which DFTA reports, however, are insufficient for outside parties to assess the performance of the Department with respect to the processing of SCRIE applications. For example, as previously stated, DFTA does not include renewal applications when calculating the "average processing time for SCRIE applications," despite the fact that renewals account for the bulk of applications handled by the Department. This fact makes it very difficult for outside parties to evaluate the delays faced by residents awaiting responses from the SCRIE Office.
- **Consider ways to streamline the SCRIE benefit renewal process.** Currently renewal applications comprise more than 75 percent of all applications processed by DFTA. The Department could prevent future backlogs by simplifying the recertification process as much as possible.
- **Investigate the problem of DFTA staff losing applicants' paperwork.** DFTA should investigate factors contributing to the loss of applicant paperwork and ensure that applicants are not forced to re-submit documentation multiple times.
- **Ensure that SCRIE participants who were forced to pay added rent while awaiting a determination of eligibility are reimbursed.** DFTA should develop a process to ensure that seniors who are due back-payments are actually reimbursed. Furthermore, the Department should actively intervene on behalf of

seniors who report difficulty in obtaining reimbursement from landlords and ensure that landlords are not permitted to profit from tax credits by withholding reimbursement due to seniors.

- **Expand efforts to educate seniors about SCRIE and enroll them in the program.** DFTA should explore new ways to reach out to individuals who could potentially be eligible for the SCRIE program. Efforts could include an ongoing bus/subway ad campaign, informational community outreach, partnerships with community groups to promote the program, and advertisements in print publications. Additionally, the Department should make SCRIE-related information available in multiple languages. Currently DFTA's information line provides information in English and Spanish. This should be expanded to include other languages such as Russian, Chinese and Creole.
- **Review all SCRIE-related information for accuracy, consistency, and clarity.** DFTA should develop a standardized statement regarding SCRIE eligibility requirements that is clear and easily understood. This statement should be used in all print and online materials and should be recorded to replace the current misleading message on DFTA's information hotline. Additionally, in light of the change in SCRIE eligibility criteria in 2003, DFTA should exercise added care in ensuring that all materials are up-to-date and indicate the \$24,000 income threshold rather than the outdated \$20,000 threshold.

So that more low-income, elderly households can receive assistance through SCRIE the Public Advocate recommends the following:

- **The State Legislature should increase the maximum allowable income for SCRIE eligibility.** Many senior households whose incomes exceed \$24,000 struggle to pay rent and keep up with increases. Some face eviction. Increasing the income eligibility threshold for SCRIE can help alleviate more seniors' financial woes and help the city avoid the added cost of paying for emergency shelter. The Legislature last raised the SCRIE eligibility income limit in 2003. Pending bills include:
 - A. 539/S. 361 which would increase the maximum allowable income to \$27,000;
 - A. 232, which would raise the maximum allowable income to \$30,000 in part; as well as
 - A. 1161 and S. 1459 which would raise the maximum allowable income to \$50,000.
- **The State Legislature should pass A. 2242, which would exclude all unreimbursed medical and prescription drug expenses when determining seniors' income eligibility for SCRIE benefits.** The Public Advocate co-sponsored Res. 674, which was recently passed by the City Council, and which urges the Assembly to pass A. 2242, and further calls upon the State Senate to introduce and pass a companion bill.

Many seniors are ineligible for SCRIE because their incomes exceed \$24,000, even though they spend a significant amount of money on unreimbursable medical expenses. Deducting such expenditures when calculating a household's income under SCRIE would enable many seniors to get much needed financial assistance.

- The State Legislature should consider other measures to increase the number of low-income seniors eligible for SCRIE , such as
 - A. 776/S. 956 which would provide for an annual increase in the maximum allowable income for SCRIE eligibility in accordance with any increase in the regional consumer price index;
 - A. 1712/S. 929 which would provide that a household's rent must be more than one-fourth, rather than one-third, of the household's annual income in order to be deemed eligible for SCRIE;
 - A. 5129 which would exclude 25 percent of social security benefits from the definition of income under SCRIE;
 - A. 3372 which would exclude Social Security benefits and Supplemental Security income from the definition of income under SCRIE.