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Testimony of Elizabeth Brown
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To the New York City Council Finance Committee
On Outreach Efforts to Senior Citizens Regarding the Senior Citizen Rent Increase Exemption Program
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Good morning Chairwoman Ferreras and members of the City Council Finance committee. My name is Elizabeth Brown and I am the supervising analyst for Housing, Environment, and Infrastructure at the New York City Independent Budget Office. Thank you for your invitation to testify today on the city's outreach efforts regarding the Senior Citizen Rent Increase Exemption program or SCRIE. As you know, through SCRIE eligible low-income, senior households are exempt from rent increases, and in return landlords receive a property tax abatement to compensate for the lost rental income.

For many years the SCRIE program has been plagued by low participation rates among eligible seniors. More than 10 years ago, in [testimony](#) before the City Council, IBO reported that it appeared only about one-third of seniors eligible for the program were actually benefiting from it. Our estimate compared data on seniors' housing and income using the New York City Housing Vacancy Survey (HVS) with the city's tally of the number of seniors actually enrolled in the program. Since that time, the city has made changes to the administration of the program, notably by shifting responsibility from the Department for the Aging to the Department of Finance.

In order to evaluate the current effectiveness of the city's outreach for this program, IBO has essentially replicated our previous analysis, using the most recent edition of the Housing Vacancy Survey and the Department of Finance's latest figures on participation. It is also very similar to the recent study published by the Department of Finance, which used the same approach to measure current participation and which has been discussed at today's hearing. While the Department of Finance's detailed report provided data both on the SCRIE and DRIE (Disability Rent Increase Exemption) programs, our analysis is limited to SCRIE. Because the two studies used the same methodology, our results are very similar.

A household is eligible for SCRIE if the tenant is 62 or older, lives in a rent-regulated apartment, has a household income that does not exceed \$50,000 a year, and pays more than one-third of their monthly income in rent. Tenants with Section 8 vouchers or those who live in public housing do not qualify for the program. Using data from the 2011 New York City Housing Vacancy Survey, IBO calculated the number of households eligible for SCRIE using both the current income threshold of \$50,000, as well as the previous income limit of \$29,000, which was effective through the end of the last fiscal year.

According to our analysis, there are approximately 121,000 households in the city eligible for SCRIE under the current \$50,000 income limit. The current number of households participating in SCRIE is 52,171, according to the Department of Finance. Thus, IBO estimates that about 43 percent of households that are eligible for SCRIE are currently participating in the program. Given the nature of the Housing Vacancy Survey data, it is difficult to make direct comparisons over time; however, our estimates suggest an improvement over the participation rates we found in fiscal year 2002. IBO also estimated the number of households eligible for the rent freeze program under the previous household income limit of \$29,000. According to our analysis, slightly over 106,000 households were eligible for SCRIE under the previous threshold. Therefore, the recent changes to the program have increased the number of households eligible by about 14 percent.

Although the HVS data suggest that fewer households were eligible for SCRIE last year than this year, the Department of Finance reported that more households were actually receiving the benefit—53,185 households in 2014 versus 52,171 households in 2015. Compared with other recent years, however, SCRIE enrollment is up; from 2011 through 2013, an average of 48,662 seniors participated each year.

Despite gains over the past few years, it is clear that only a portion of the households that qualify for the SCRIE program are receiving the benefit. With fewer than half of eligible seniors actually benefitting, there is a challenging task ahead for the finance department and the City Council as they seek to boost enrollment.

Thank you again for your invitation to testify and I would be happy to answer any questions.

