

**TESTIMONY FOR NYCHA GENERAL MANAGER ATEFEH RIAZI
AND SENIOR VICE PRESIDENT FOR LEASED HOUSING CARLOS A. SERRANO**

UPDATE ON NYCHA'S MANAGEMENT OF THE SECTION 8 RENTAL ASSISTANCE PROGRAM

CITY COUNCIL COMMITTEE ON PUBLIC HOUSING

THURSDAY APRIL 26, 2012 – 10:00 AM

14TH FLOOR COMMITTEE ROOM, 250 BROADWAY

Chairwoman Rosie Mendez and distinguished members of the City Council:
Good morning. I am Atefeh Riazi, Acting General Manager of the New York City Housing Authority (NYCHA). Joining me this morning are Carlos A. Serrano, Senior Vice President for Leased Housing, and Steven Rappaport, Assistant General Counsel, Fair Housing and Employment Litigation. We are glad to be here before you to discuss NYCHA's administration of the Housing Choice Voucher (Section 8) Program.

Since its creation in 1974, the Section 8 voucher program has offered vital housing assistance to low- and moderate-income New Yorkers and their families in privately-owned apartments around the five boroughs. By providing a substantial income-based federal rental subsidy to eligible individuals, the Section 8 program is one of the most flexible, enduring, and effective tools we have to ensure that working families have the

NYCHA takes extremely seriously its obligations to the families the Section 8 program serves, the taxpayers who fund the program, the regulatory body who writes and enforces the program's rules, and the landlords whose partnership and participation allow the program to be a source of support for so many New Yorkers. Even in the face of severe underfunding and cuts to the Section 8 administrative budget, which I will outline shortly, NYCHA remains absolutely committed to fulfilling the program's promise to the fullest by pursuing innovative means to efficiently and effectively serve the New Yorkers who participate in it.

NYCHA's Leased Housing Department

In 2011 alone, NYCHA's Leased Housing Department oversaw the expenditure of almost \$1 billion in Section 8 subsidies to more than 32,000 private landlords, providing vital housing assistance to more than 250,000 New Yorkers in over 94,400 rental apartments citywide. The Leased Housing Department also enforced program compliance on the part of NYCHA, landlords, and residents to ensure continuing subsidy to eligible households and building safety. Section 8 is one of the nation's most

subsidy for Section 8 vouchers has increased nationally, NYCHA's Section 8 program has been cut and underfunded by approximately \$178 million over the last seven years. As a result of federal underfunding, NYCHA has had no choice but to reduce the Leased Housing Department by more than a hundred employees, including Housing Assistants, clerical workers, and others. This represents a staff reduction of more than 20 percent, leaving a staff of less than 400 to administer a \$1 billion program serving a quarter million New Yorkers in need. These numbers do not reflect the additional federal funding reductions we face in 2012 and beyond. Certainly they do not reflect the estimated 9 percent across-the-board sequester required by the Budget Control Act of 2011 that will reduce funding for all federal discretionary programs on January 1, 2013.

As is the case for public housing authorities across the country, the bleak reality of federal underfunding is not going to change for the better any time soon. At the same time, the cost of individual Section 8 vouchers has risen considerably in recent years, meaning our annual rental subsidy covers less vouchers than it otherwise would. The necessity to serve more families with less, compounded with an existing Section 8 wait list of more than 123,000 families, makes it all the more important that we do

the Improving the Customer Experience program (NICE) in 2011. NICE allows NYCHA to better track resident and landlord information, improve accuracy and verification by minimizing employee discretion and the potential for error, better enforce HUD regulations, and enhance our access to vital data.

NICE is part technology, part process and organizational change. It involved the automation of an antiquated and inefficient manual processing system to increase organizational efficiency and compliance; the consolidation and re-design of walk-in centers; and the introduction of new phone and online options that would eliminate the need for many office visits, thereby reducing wait times and improving service to both voucher holders and landlords.

I would not like to walk you through a presentation on NYCHA's administration of the Section 8 Program before and after NICE.

Section 8 Before and After NICE

Presentation by Carlos Serrano

NYCHA also communicated impending changes to a broad group of stakeholders in preparation for NICE's implementation. NYCHA reached out to voucher holders, landlords, elected leaders and union officials through a variety of avenues including letters, tailored mailings, flyers, handbills, recorded messages, meetings, and the NYCHA website. By January 2011, NYCHA ensured that the City's 311 system would direct all Section 8 participants with questions to the NYCHA website, where comprehensive information was updated and posted. NYCHA also made presentations on the implementation of NICE to unions if they desired, and sent letters to elected leaders explaining the changes, outlining NICE's benefits, and alerting them of possible challenges.

NYCHA also used a variety of means to communicate changes resulting from the implementation of NICE to Section 8 participants. Beginning in January, NYCHA informed participants of the technology upgrades and of possible longer wait times with voice recordings through the Customer Contact Center (CCC); on posters and handouts in all CCC locations; in scripted greetings at NYCHA Walk-in Centers; and on the NYCHA website. In addition, NYCHA included a message alerting landlords to the changes

holder has been terminated for failure to recertify as a result of the implementation of NICE.

We also worked throughout rollout to resolve landlord issues as they came up. For example, we have heard complaints from some landlords about increased HQS violations. While the great majority of participating landlords are in compliance with HUD regulations, NYCHA is committed to working with all landlords who have been deemed not in compliance to verify that all necessary repairs have been made as quickly as possible. It is in nobody's best interest to see subsidy suspended or to go above and beyond HUD regulations for citing violations – not only does this cause problems for landlord and resident alike, it also creates additional work for NYCHA staff.

Additional Steps to Improve Services for Landlords and Voucher Holders

Any change comes with challenges, and NYCHA has worked diligently with residents, landlords, and members of the community to address issues and keep the Section 8 program moving forward. Over the last year, we have met extensively with landlord groups; federal, state, and local officials;

Conclusion

NYCHA is committed to improving service to the families who depend on Section 8 and the landlords who partner with the Authority to provide this vital housing resource. Throughout this period of transition, and while grappling with serious cuts to our administrative budget, NYCHA continues to successfully manage the nation's largest Section 8 program and provide on-time payments to participating landlords. We will continue to seek new tools to bring even greater efficiency to the system and mitigate the impact of federal underfunding. We look forward to continuing to work with you in strengthening the Section 8 program to even better serve the 250,000 New Yorkers who depend on it. Thank you, and we welcome any questions you may have at this point.



New York City Council

April 26, 2012

Committee on Public Housing

Testimony of Metropolitan Council on Jewish Poverty

Since its inception in 1972, Metropolitan Council on Jewish Poverty (Met Council) has been a defender and advocate for New Yorkers in need. Services range from affordable housing to kosher food pantries to crisis intervention to benefits enrollment assistance, and are designed to stabilize individuals and families while giving them adequate tools for continued self-sufficiency.

Together with our network of 25 local Jewish Community Councils, Met Council is able to aid and strengthen more than 100,000 people annually, in every ZIP code in the city with culturally sensitive services and programs for all ethnicities. Although the word “Jewish” appears in our name, we serve everyone with the same care, sensitivity and warmth.

The services we provide are targeted to poor, working-poor and near-poor households, whose needs are not fully addressed by government and other social service agencies because they hover just above the federal poverty threshold. However, even those very low-income clients who do qualify for Section 8 vouchers are being denied vital assistance due to inadequate funding.

The Section 8 voucher program is a lifeline for the poorest New Yorkers and the last line of defense against homelessness for many. For the working poor, the disabled, and for people on public assistance, Section 8 vouchers are often a family’s only chance at staying together or avoiding the shelter system. Unless a solution is found quickly, many of tenants will wind up in the shelter system—at a cost far greater than that of replacing the Section 8 vouchers.

Met Council is continuing its work in developing and managing affordable housing for low-income and vulnerable populations throughout New York City. **Working with for-profit developers and government agencies, Met Council has developed and is currently operating over 1,800 units of affordable housing, with another 750 in development.** We provide housing units to the elderly, homeless, and mentally ill, ensuring that New York's most vulnerable populations are safe and supported. In addition to the working-poor and near-poor, much of our housing is targeted to very low-income households—who lack access to other housing assistance due to the scarcity of Section 8 vouchers. Our buildings also have on-site staff who look after residents' needs and provide case management, benefits/entitlements counseling, social services referrals, as well as recreation and socialization activities.

As a matter of public policy, government has found it difficult to provide direct mechanisms to fund grassroots and neighborhood efforts that fill in service gaps for working-poor and near-poor populations. **With the elimination of new Section 8 vouchers, these service gaps have further extended to low- and very low-income populations.** New York City Council discretionary funding significantly allays this problem by leveraging private and philanthropic dollars into these underserved communities. We privately raise over \$3.5 million in financial assistance that goes directly to clients each year, including as rent-payment assistance to prevent evictions. City government must find a solution for every family affected as soon as possible to avoid life-threatening situations.

While traditional economic indicators may point to the recession's end, as many experts assert that working poor families will continue to struggle to meet their basic needs and unfortunately the situation will only worsen with impending federal cuts and as of yet no new stimulus legislation.

Met Council could not continue providing those critical social services to over 100,000 needy New Yorkers each year without the vital partnership of New York City Council through the following four initiatives:

- **Discretionary Funding-** These funds help to sustain our core programs such as Crisis Intervention and handyman services through Project Metropair, which help to keep frail seniors secure and independent in their homes.
- **Extended Services Program/Information and Referral-** Extended Services Program leverages 3.5 million of privately raised dollars by paying for staff that provides culturally-sensitive services to assist clients with immediate financial crises such as eviction, utility turn-offs, sudden unemployment, and other emergencies.
- **Immigrant Opportunity Initiative (IOI) -** IOI enables Met Council to provide critically needed services to a wide base of New York's immigrant community through trusted community partners located in diverse neighborhoods.
- **DoVE-Domestic Violence and Empowerment Initiative-** DoVE enables Met Council's specially-trained staff to provide case management, counseling, financial assistance, legal referrals, client and child advocacy, court escorts, and access to Met Council's wide-ranging support services.

We deeply value your leadership and partnership and look forward to working together to help the needy throughout the New York area.

Thank you.

Sarah Felsenthal
 Government Relations Manager
 Metropolitan Council on Jewish Poverty
www.metcouncil.org
 80 Maiden Lane, 21st Floor
 New York, New York 10024
 Phone: 347-839-0106
 Email: sfelsenthal@metcouncil.org



Committee on Public Housing

Oversight: Update on NYCHA's Management of its Section 8 Rental Assistance Program

April 26, 2012

My name is Frank Ricci, Director of Government Affairs for the Rent Stabilization Association, and I am here today on behalf of the 25,000 property owners and managers who are members of RSA. We appreciate the opportunity to discuss, once again, the administration of the Section 8 program. Regardless of the size and sophistication of the RSA members who participate in Section 8, they all have one thing in common- they provide the affordable housing that everyone claims is essential to this City. Over 70,000 NYCHA and HPD Section 8 tenants are also rent stabilized, making this a central issue for our members.

At the prior Section 8 oversight hearing, we addressed the enormous administrative burdens faced by property owners who are simply attempting to receive the rental monies they are due. Over these past months, both before and since the last hearing, the complaints from property owners about Section 8 have been persistent. These complaints include:

- substantial delays- measured in years- in the approval of renewal lease increases and major capital improvement rent increases;
- the inaccurate calculation of retroactive payments of those increases when they are processed;
- wrongful suspensions of benefits based upon HQS violations not received by owners;
- the failure to reinstate benefits retroactively to the date of correction of HQS violations;
- lost and misplaced paperwork and improper scanning of documents;
- tenants removed from the payment rolls for no apparent reason;
- the transition from a staffing structure in which NYCHA staff were assigned to specific buildings to a centralized call-in center with inadequate resources and unacceptable wait times, and
- inadequate communication from NYCHA, resulting in situations where owners are unaware of NYCHA's procedures and policies with which they are obligated to comply, including those relating to the lease renewal process and locations for the receipt of documents.

As a result of these and other failings by NYCHA, RSA has been under substantial pressure from its members to commence litigation to seek relief from the courts, either on a systemic or individual basis. We have not done so, hoping that venues other than the courts will be more effective and efficient for resolving these problems. However, some owners have already pursued that path, independently of RSA. In addition, Legal Aid has done so, on behalf of its tenant clients who are caught in the same predicament. The bottom line for owners is that the amounts of money due and owing are staggering,

the administrative burdens they incur are unacceptable and the frustration level for owners who are already frustrated by over-regulation and cumbersome bureaucracies is unprecedented.

Both before and since the last hearing, we met with NYCHA to address these various concerns- suffice to say, the initial meetings were frustrating at best, exacerbated by NYCHA's reticence which was attributed to the pending court cases. However, more recently, we met with Chairman Rhea and his senior staff and we are now cautiously- very cautiously- optimistic that NYCHA has begun to come to terms with the broad-based issues we have raised. While we have been skeptical of some of their data regarding the extent of the problems which remain, we are encouraged by the recent dramatic increase in payments to owners. That is a prime example of actions speaking louder than words. Further, we are encouraged by Chairman Rhea's commitment that the backlog in renewal lease applications and other processing issues will be substantially addressed or eliminated in the very near future.

We will meet again with Chairman Rhea to determine more precisely the extent to which progress has been made by NYCHA. We will wait and see if the progress they have represented will occur, in fact, transpired. And we will have to wait and see whether the various other commitments to improve the quality of the work by the NYCHA staff and to improve the communication by NYCHA to the owners who, either willingly or unwillingly, are dependent upon NYCHA for the funds that keep viable the affordable housing they provide.

Thank you again for the opportunity to speak to you today.

TESTIMONY BY IAN DAVIE, LEGAL SERVICES NYC-BRONX
BEFORE THE CITY COUNCIL COMMITTEE ON PUBLIC HOUSING
ON THE NEW YORK CITY HOUSING AUTHORITY'S SECTION 8 POLICIES AND
PROCEDURES

APRIL 26, 2011

My name is Ian Davie. I am a Housing Unit staff attorney in the Bronx office of Legal Services NYC, the nation's largest legal services provider. The Bronx office has represented the civil legal services needs of low-income and elderly families and individuals for over forty years. We praise the leadership of Chairs Rosie Mendez and Gale Brewer and their commitment to Section 8 program participants. We appreciate the opportunity to testify before the City Council's Public Housing Committee and I hope my thoughts are helpful in informing and advising the Committee about this important topic.

At Legal Services NYC-Bronx, the reach of our Housing Unit spans various legal fields throughout New York City. We represent tenants in eviction and housing code enforcement proceedings; in administrative agency proceedings related to public benefits, public housing, and Section 8 administration; and in Supreme Court actions against city and state agencies and actors engaging in predatory equity throughout the Bronx. In short, our practice spans the full purview of New York City housing topics and we have a unique view into how housing issues affect low income families and individuals.

When I last provided testimony on this topic, in September 2011, Legal Services NYC and Legal Aid had just filed two multi-plaintiff federal court cases against NYCHA regarding its administration of the Section 8 program. One of these cases, *Barclay v. NYCHA*, alleged that NYCHA was not properly providing interim recertifications to tenants whose incomes had fallen. This problem places tenants in danger of eviction because it requires that they pay an unaffordable

amount of their income as rent each month. The problem also has larger implications, though, resulting in additional agency delay that affects a host of other NYCHA Section 8 services. Furthermore, this issue results in delayed Housing Court cases that continue to stretch on for months and months, frustrating the landlord bar and tying the hands of many Housing Court judges. Although this problem still exists, we are in ongoing negotiations with the Housing Authority to reach a solution that is workable for NYCHA and which protects the rights of tenants and keeps families in their homes. We hope that we will be able to reach an agreement that meets these mutual goals.

Nonetheless, the *Barclay v. NYCHA* case, and the *Campos v. NYCHA* case which my colleague discussed, address only some of the many issues which plague the Housing Authority Section 8 program. So no matter the resolution of these individual cases, other problems still persist. We know this because we continue to speak with, and advocate for, Section 8 tenants throughout New York City. Today I will outline just a few of these problems and will conclude by respectfully requesting that the Committee continue to provide oversight on this important issue.

Most recently, we have heard that NYCHA is unnecessarily delaying the transfer voucher process. A transfer voucher allows tenants to take their Section 8 subsidy and move to a new apartment that does not contain potentially hazardous problems. Tenants may request a transfer vouchers in many instances, including when they are in an overcrowded apartment, when their apartment contains unlivable conditions which the landlord will not repair, and when the family faces other emergencies such as the threat of domestic violence. Presently, tenants requesting a voucher must first wait for a briefing. If they are provided a voucher, they then have three months to find a suitable apartment. At that point, NYCHA performs an inspection and ensures that the landlord is suitable for participation in the program.

Unfortunately, the transfer voucher process currently does not operate so smoothly. At the initial stage, after tenants apply, NYCHA sometimes takes months to even provide a transfer voucher briefing. Where a tenant is unable to find a safe, suitable apartment within three months, NYCHA has also unreasonably refused requests for an extension of time. NYCHA has also failed to take the necessary steps to approve an apartment once the tenant has submitted all necessary paperwork. During this time, tenants and their families are forced to continue to live in apartments in which they face problems such as dangerous conditions, overcrowding, and the threat of domestic violence. Many also have Housing Court cases in which they continue to receive notices of eviction, and must resort again and again to requesting more time from the Housing Court judge.

The problems at NYCHA do not only arise from poor implementation of existing legal procedures; in some instances, NYCHA fails to follow the law or its own procedures. For example, NYCHA has a process by which tenants can add additional persons to their household composition. An elderly woman may want her daughter to move in as her caretaker, or a family may want to add a cousin who just moved into the area. In 2007, NYCHA issued an internal directive, LHD 07-22, prohibiting its workers from requiring landlord consent to add a new person to the household. To this day, however, NYCHA workers often routinely deny household additions because they improperly request landlord permission, which the landlord often summarily denies. This practice can only result from a lack of proper training of workers, a failure to update internal forms and instructions, and the seeming inability to provide oversight by NYCHA management.

Finally, NYCHA suffers from a larger failure to communicate with its participants, or indeed to allow its participants to communicate with caseworkers within the agency. NYCHA presently employs only three citywide Customer Contact Centers, none of which are located in Manhattan or Staten Island. Thus, it is very difficult for some tenants to request assistance in the first place. When

a tenant contacts NYCHA, he or she is told that they will soon be contacted. Often weeks later, a tenant will receive a call or a letter stating that they must attend an appointment to address their issue. Only at that appointment are tenants finally able to speak about the problem. If they are told that they should follow up, for example when they are asked to submit an additional document, they must go through the process again. This system completely disregards the schedules of Section 8 tenants, requiring that they meet on a date, set by NYCHA, that may conflict with employment or other necessary appointments. The system also requires that tenants wait weeks before even meeting with an agency representative, which is unworkable with regard to housing issues where time is often of the essence. Sometimes, tenants are not contacted at all.

Equally frustrating, though, is the recent move by NYCHA from a worker-based system to a task-oriented system. Now, instead of having a worker assigned to each tenant, different employees may work, in a piecemeal fashion, on one issue. Thus, tenants may meet with various workers, who may not know the details of the issue, in an attempt to resolve a single problem. This results in increased delay.

In addition to those discussed today, Section 8 tenants experience a host of other problems. To name just a few, NYCHA often does not provide informal hearings when requested, does not scan necessary documents, does not utilize useful forms, and does not provide proper notice to tenants. As you have heard, these NYCHA Section 8 administration problems stem from various sources, from a failure to follow existing law and procedure to the affirmative implementation of poor organizational structures. Unfortunately, over the past few years, we have seen the ways these delays, errors, and outright failures in the administration of the Section 8 leased housing program have compounded many of the issues affecting low-income New York City residents. Frustratingly, many of these problems are self-inflicted and can be fixed with proper procedures, implementation,

and oversight.

As these problems, and the potential for solutions, are raised, we sincerely hope that the Housing Authority takes them under consideration and works toward changes that improve the experience for Section 8 tenants throughout New York City. In the meantime, we at Legal Services NYC appreciate the role that the Committee and the City Council have taken in addressing these issues, and we respectfully ask that the Council continue to provide oversight regarding these matters.

Thank you for your time.

CITY COUNCIL COMMITTEE ON PUBLIC HOUSING OVERSIGHT HEARING
REGARDING THE NEW YORK CITY HOUSING AUTHORITY'S MANAGEMENT OF ITS
SECTION 8 PROGRAM

APRIL 26, 2012

TESTIMONY OF KAREN MAY BACDAYAN
LEGAL SERVICES NYC-BROOKLYN BRANCH

Introduction

Thank you for the opportunity to testify before the City Council's Public Housing Committee and for your commitment to improving the New York City Housing Authority's administration of its Section 8 Housing Choice Voucher Program. My name is Karen May Bacdayan. I am a staff attorney in the Housing Unit of Legal Services for NYC – Brooklyn Branch, a constituent corporation of Legal Services New York City, the nation's largest legal services provider. My office represents the civil legal services needs of low-income families and individuals throughout the borough of Brooklyn.

Throughout this city, the advocates working in the Housing Units of Legal Services NYC actively assist tenants with administrative agency proceedings related to public benefits, public housing, and Section 8 administration. We prevent thousands of evictions in Housing Court every year, many of which are actions brought by frustrated landlords to recoup Section 8 subsidy payments which have been erroneously terminated by NYCHA. Our advocates also pursue Supreme Court and federal court remedies against city and state agencies and actors who abuse their discretion in the administration of their housing programs, and who violate our clients' due process rights by depriving them of their Section 8 subsidies without notice or an opportunity to be heard.

This breadth of experience gives the advocates of Legal Services NYC an informed perspective on housing-related issues throughout New York City and provides a unique view of both positive and negative trends in the housing field. Unfortunately, over time, we have seen increasing delays, errors, and outright

failures in the administration of the Section 8 Leased Housing Program by the New York City Housing Authority. Sadly, these problems compound many of the issues affecting low-income residents of New York City and disproportionately affect the indigent, elderly, disabled.

Because Legal Services providers see scores of tenants on a monthly basis with problems related to the administration of their housing subsidies, Legal Services and NYCHA are perennial adversaries. The system has never been perfect, but, in the past, advocates and participants alike were often able to work through issues with housing assistants and fellow attorneys before serious harm occurred. However, by the fall of 2011, it was not possible to ignore that an already flawed and clumsy system had become even more dangerous to our client base as a result of the introduction of impersonal call-in centers, computerized scanning of documents, and the automation of the termination process. Individual case workers had been replaced by customer service centers and NYCHA managers and attorneys had ceased their prior practice of working together with Legal Services advocates informally to resolve issues. Hundreds of Section 8 program participants were being inexplicably terminated only to be reinstated to the Program once a legal services advocate brought suit against NYCHA on behalf of the individual.

Discouraged and without the resources to continue individually assisting multitudes of tenants who had been erroneously deprived of their benefits, in September 2011, Legal Services for New York City, along with the Legal Aid Society, filed a federal lawsuit on behalf of multiple Section 8 program participants. This lawsuit sought change from NYCHA in the form of better administration of annual review and termination procedures. It was our hope that by bringing NYCHA to the table and forcing a dialogue, we would gain a better understanding of the new system and its flaws and be able to work together to halt the avalanche of wrongful terminations. Unfortunately, that has not been the case.

Today my client, Angela Diaz, and I will talk about the continuing problems with delays and erroneous termination notices despite the intervention of a federal judge and magistrate, and court

sanctioned oversight of the NYCHA recertification and termination process. I hope my thoughts and Ms. Diaz's experience are helpful in informing and advising the Committee about this important topic.

Section 8 Background

Congress enacted the federal Section 8 program with the mandate of helping lower-income families obtain decent and affordable housing. The New York City Housing Authority, as an administrator of numerous Section 8 vouchers, must follow federal laws, regulations, and procedures. Tenants who receive Section 8 assistance must provide NYCHA with household composition and income information on an annual basis. This is called alternately the "annual review" or "annual recertification." If the tenant fails to recertify in a timely manner, NYCHA may terminate the tenant from the Section 8 Program. For its part, NYCHA must carefully review the forms and documents submitted, and may only terminate a participant from the program in accordance with procedures mandated by federal law and regulation. If at any time during the process a participant requests a hearing with regard to a proposed adverse action, the termination must be halted pending the hearing.

NYCHA's Computerized Annual Recertification and Termination Process

In or about 2010, NYCHA began the process of switching over to a new computerized system.

Under the new computer system ("Siebel"), eventually all tenant files will be computerized. Documents that tenants submit by mail are sent to a central scanning facility in Long Island City where they are scanned in order to be merged with tenants' files. We have been told that help centers are also equipped to scan documents delivered by hand. Unfortunately, the system has resulted in a substantial backlog of documentation submitted by tenants.

Under the new system, when it is time for a tenant's annual recertification, NYCHA's computer program,

Siebel, automatically generates a recertification packet which is sent to the tenant. At this time, a time-triggered termination process also automatically begins. The tenant must return the packet, and, when it is received, the termination process is automatically paused while the packet is manually reviewed. Unfortunately, we have learned that a recertification packet is not recognized as received when it is actually received by NYCHA either by hand-delivery or by mail; rather, Siebel only registers a recertification packet as received after it has been scanned. This means that the automatic termination process time-line continues to elapse even though a tenant has met her obligation to submit the documents for her annual review. Thus, a tenant will receive a termination notice for failing to recertify, even as her timely submitted recertification packet languishes in the Long Island City office, or a Help Center office, waiting to be scanned and associated with her Section 8 case.

To make matters worse, when a tenant requests a hearing to contest the threatened termination, hearing requests are not being granted and tenants are receiving final termination notices despite having requested a hearing. The termination process is supposed to pause automatically upon receipt of a hearing request, but for some reason the hearing requests, like the recertification packets, are either not being entered into NYCHA's computerized system or are not being recognized by the computer software.

Campos et al v. NYCHA

In September 2011, Legal Services NYC and the Legal Aid Society filed a case against NYCHA alleging widespread, systemic failures resulting in erroneous terminations from the Section 8 Program without an opportunity to be heard, and violation of our clients' due process rights. In early December 2012, the presiding federal judge assigned to the case, the Hon. Louis Vitaliano, permitted NYCHA to "go live" with Siebel and to begin sending out recertification packets and termination notices using the computerized technology.

In February 2012, NYCHA counsel informed plaintiff's counsel that, in early February 2012, 5,396 final termination notices had been sent to tenants for failing to properly complete their annual reviews. Of these 5,396 notices, approximately half were rescinded. This left over 2,500 final termination notices which would result in termination of a tenant's subsidy if she did not either comply with NYCHA's requests or request a hearing within 45 days of the date of the letter.

On March 1, 2012, Judge Vitaliano ordered that NYCHA conduct a manual review of all 2,500 tenants who had received final termination notices in early February 2012, and that no terminations should take place until the manual review had been completed. Judge Vitaliano further ordered that Legal Services and Legal Aid be permitted to audit the process by which NYCHA was reviewing the files. Of particular interest to us are the tenants whose termination notices are rescinded after NYCHA's review. NYCHA's review has not yet been completed, but already, more than 50% of the termination notices sent out in early February 2012 have been rescinded. The fact that so many termination notices have been rescinded suggests that they may have been issued in error. An audit of these cases will lend particular insight into what NYCHA itself implicitly admits is going awry when a tenant receives a termination notice in error. Remarkably, NYCHA continues to insist that its system is satisfactory a statement. The stories of tenants like Angela Diaz, however, belie NYCHA's assertion that the computer system is operating well and does not prejudice participants who are in compliance with program requirements.

While we hope to uncover the dimensions of these systemic issues through litigation, we urge this Committee to inquire with NYCHA officials as well.

Thank you again for your commitment to the oversight of the NYCHA Section 8 program and for your time today.

THE LEGAL AID SOCIETY

Civil Law Reform Unit

199 Water Street, 3rd Floor

New York, NY 10038

(212) 577-3300

**TESTIMONY OF THE LEGAL AID SOCIETY BEFORE THE
THE CITY COUNCIL COMMITTEE ON PUBLIC HOUSING
ON NYCHA'S MANAGEMENT OF ITS SECTION 8 RENTAL
ASSISTANCE PROGRAM**

April 26, 2012

The Legal Aid Society is the oldest and largest provider of legal assistance to low income families and individuals in the United States. The Society's Civil Practice operates 14 neighborhood offices and city-wide units serving residents of all five boroughs of New York City, providing comprehensive legal assistance in housing, public assistance, and other civil areas of primary concern to low income families and individuals.

The Legal Aid Society is the oldest and largest program in the nation providing direct legal services to low income families and individuals. The mission of the Society's Civil Practice is to improve the lives of low income New Yorkers by helping vulnerable families and individuals obtain and maintain the basic necessities of life — housing, health care, food and subsistence income or self-sufficiency. The Society's legal assistance focuses on enhancing individual, family and community stability by resolving a full range of legal problems in the areas of immigration, domestic violence and family law, employment, housing and public

benefits, foreclosure prevention, elder law, tax, community economic development, health law and consumer law.

The Society achieves its mission in a number of ways. Through a network of 10 neighborhood and courthouse-based offices in all five boroughs and 23 city-wide and special projects, the Civil Practice provides free direct legal assistance in thousands of matters annually. Overall, combining individual representation with law reform litigation, advocacy and neighborhood initiatives, the Society successfully provides as many low-income New Yorkers as possible with access to justice. In addition to direct legal services, the Society provides extensive back-up support and technical assistance for community organizations in all five boroughs of the City providing services in low-income communities, "know your rights" trainings for community residents, and community education sessions on complex legal issues affecting low-income communities. When it is the most efficient and cost-effective way to help clients, the Society provides legal representation to groups of clients with common legal problems, including those referred by elected officials. Finally, the Society also operates an extensive pro bono program through which over 1,000 volunteers participate to provide more than 50,000 hours of legal assistance to low income New Yorkers annually.

We appreciate the opportunity to testify before the Committee on Public Housing. We are grateful for the leadership of Chair Rosie Mendez concerning the rights of all New York City tenants that rely on Section 8 rental assistance to provide shelter for their families. In the face of a slow economy where it is increasingly difficult for families' incomes to keep pace with rising costs, it is critical that low and middle income families have some measure of security where their housing is concerned. For many, a Section 8 voucher serves as the only means by which

they can access safe, decent housing in the private market. Recent events have demonstrated the importance of oversight of the Section 8 program that serves over 96,000 tenants.¹

NYCHA made major changes to the manner in which it administers its Section 8 program by switching to NICE (NYCHA Improving Customer Experience) and migrating its customer data to the Siebel Customer Relationship Management system. NICE effectively concentrated the customer service experience. In the past, customers worked with a specific housing assistant they could contact regarding matters such as their annual recertification, interim income changes, transfers and apartment inspections. With NICE, dedicated housing assistants were replaced with a centralized phone system, marking a departure from continuity of service. This change greatly impeded participants' ability to timely react to changes, address discrepancies and correct errors. NYCHA later implemented Siebel which computerized its Section 8 files and other functions. This automated the recertification and interim recertification process.

Annual Recertification

All tenants receiving a Section 8 subsidy have to undergo an annual recertification where they inform NYCHA about their income and who is in the household for purposes of determining the subsidy and tenant portion of the monthly rent going forward. NYCHA sends the tenant a package of documents that the tenant and landlord have to execute and return. This process is concluded by an inspection where NYCHA insures that the subject apartment meets its Housing Quality Standards ("HQS").

In the past two years, this process has broken down. NYCHA's computerizing of its Section 8 files has caused documents that participants submitted to complete their annual recertification to be improperly logged, lost or misplaced. There have also been massive delays

¹ http://www.nyc.gov/html/nycha/downloads/pdf/lh_housing_choice.pdf (last visited April 24, 2012)

in logging tendered documents in the system. While these documents await logging, submission deadlines come and go. As a result, countless Section 8 participants have been terminated from the Section 8 voucher program due to alleged failure to complete their annual re-certification.

When we last appeared before this committee of the New York City Council in September 2011, we were on the verge of filing two federal cases on behalf of Section 8 participants against the New York City Housing Authority for its repeated failure to comply with the Due Process Clause, federal law and regulation, state law and the Housing Authority's own administrative plan with respect to its Section 8 program. With respect to the problems associated with the annual recertification, we filed the lawsuit Campos et. al v. New York City Housing Authority in the United States District Court for the Eastern District of New York. We sought to challenge NYCHA's practice of permitting widespread and known agency error to lead to the wrongful termination of program participants' subsidies, NYCHA's failure to notify participants that their subsidy was being terminated and their failure to provide participants an opportunity to challenge the termination. During the course of the litigation, NYCHA has agreed to manually review the cases of the numerous tenants that received the final termination notices in February 2012. Unfortunately, despite the lawsuit to remedy these problems, they persist. Participants that timely submitted their recertification packages are still receiving termination notices because NYCHA failed to properly and timely log their documents into the system. Participants are still not receiving packages in a timely manner. Participants that submitted packages are receiving termination notices that (1) don't tell them why they are subject to termination; (2) assert they did not submit documents they already submitted; (3) or that fail to request the documents that are actually outstanding. Unfortunately, the Siebel system is programmed to automatically issue termination notices and terminate tenants even where they

have submitted packages but the packages have not yet been scanned and entered into the computer system or where they were never issued a package. Thus, NYCHA stops issuing the subsidy and in some instances send notices to their landlords advising that the subsidy is being terminated because the tenant failed to complete their annual recertification. With this, many landlords are seeking eviction under the theory that the tenant violated a substantial obligation of their lease by failing to maintain their eligibility for the Section 8 Housing Voucher program. We represent 85 Section 8 participants facing these series of problems. One participant, Alba R., submitted all of the required documents in November 2011 and has a NYCHA issued receipt acknowledging the submission. Her apartment was inspected and it passed. She later received the Voucher Change Notification in December 2011. This notification, issued after the recertification is completed, informs what the subsidy and tenant portion of the rent will be going forward. Nevertheless, her subsidy was terminated in January 2012. Her landlord informed her. She did not receive any notices. She went to the Fordham Road CCC office and was assured by a NYCHA employee that everything was in order. She wrote to the LHD in January 2012 to find out why her landlord was not paid. She has yet to receive any response. Her landlord has not been paid in several months and is threatening to seek her eviction.

Interim Recertifications

The Housing Authority is also responsible for processing interim recertification requests made by Section 8 participants when their income has changed prior to their annual recertification. When a Section 8 participant experiences a loss of income as the result of losing a job, a decrease in work hours, or a change in household composition the tenant's portion of the monthly rent can become unsustainable placing them and their families at risk of eviction.

When we last appeared before this committee in September 2011, we reported that Section 8 participants who had experienced a loss of income were experiencing significant delays in having their tenant's portion adjusted downward to reflect the loss of income. After waiting months for their interim recertification requests to be processed Section 8 participants were faced with many additional difficulties with their interim recertification requests. With respect to these problems, we filed Barclay et. al. v. New York City Housing Authority in the Southern District of New York. We are currently pursuing settlement talks with the Housing Authority.

Failure to Process Lease Renewal Increases and Restore Subsidy Payments after Correction of HQS Violations

NYCHA fails to process restoration requests and then reinstate subsidy payments in a timely and lawful manner after federal HQS violations found in Section 8 apartments during annual inspections have been corrected. Additionally, NYCHA fails to process requests by landlords for rent adjustments that result from increases set forth in lease renewals for Section 8 apartments. Due to NYCHA's practices, many participants live under the ongoing threat of eviction as they endure unnecessary housing court proceedings because their landlords claim that the tenant violated a substantial obligation of their lease by failing to maintain their Section 8 voucher or wrongly consider them -instead of NYCHA- responsible for paying the rent increase. The Legal Aid Society recently filed a motion on behalf of a class of Section 8 tenants seeking to intervene in a pending class action commenced by Section 8 landlords against NYCHA in the United States District Court for the Southern District of New York known as 35-41 Clarkson LLC v. New York City Housing Authority in which such unlawful practices are challenged.

Transfer Requests

NYCHA is not timely processing tenants' transfer requests. Many tenants request transfer vouchers to allow them to seek new accommodations because their landlords refuse to remedy dangerous conditions, they live in unregulated housing where the landlord elects to not renew their lease, their apartment is in a home that is being foreclosed upon or they need to flee a dangerous environment. According to NYCHA directives, tenants with emergency status must be scheduled for a briefing within 6 weeks of the date the request is received.² NYCHA grants emergency priority to Victims of Domestic Violence, Intimidated Victims or Witnesses in a crime, Child Sexual Victims, families facing eviction or with life-threatening health issues and families living in apartments where the landlord hasn't corrected serious HQS violations in a timely manner.³ The failure to timely process transfer requests creates great peril for participants. These families are typically facing eviction proceeding and under tremendous pressure to secure new accommodations. Ms. W., for example, originally requested a transfer voucher in April 2011 when her landlord served her with a 30 day notice informing her that he intended to terminate her tenancy. She buttressed the request with the notice of petition and petition when she was served with those papers in June 2011. She regularly followed-up on her transfer request and was repeatedly told it was pending. She was originally required to vacate the premises by October 26, 2011. She returned to NYCHA in August 2011 and November 2011 to submit court-ordered stipulations that extended the date by which she has to move. Later, on January 5, 2012, she was told for the first time that the request was denied because she did not complete her annual recertification. At that point, she had not received the recertification package. When she received the package, she returned it within two weeks. She received an

² New York City Housing Authority Leased Housing Department Memorandum #07-16

³ http://www.nyc.gov/html/nycha/html/section8/lh_ten_faqs.shtml#q11(last visited April 23, 2012)

eviction notice in January 2012 and was scheduled for eviction on February 9, 2012. Due to persistent advocacy, her transfer voucher was finally issued on February 7, 2012. Fortunately, she was granted another stay of eviction and was recently approved to move into a new apartment as of May 1, 2012.

Others are not so fortunate. Ms. K requested a transfer voucher in November 2011. Despite twice submitting her recertification packet and requesting a conference that was not scheduled, she was terminated from the program. She was later evicted from her home. She and her grandson remain homeless. We were recently informed that her request is being processed.

CONCLUSION:

We call upon NYCHA to stop terminating Section 8 recipients until it ensures that it has not terminated families in error and restores those it has already terminated in error. We also ask NYCHA to follow procedures with respect to transfer requests as these tenants are particularly vulnerable when they are under constraint to vacate their present homes before they can even begin attempting to secure new accommodations. In addition, the Housing Authority must improve its procedures concerning the interim recertification process to ensure that Section 8 recipients are not being overcharged in rent. Finally, we call upon NYCHA to timely process restoration requests after HQS violations have been remedied and to timely process lawful rent increases. Thank you again for the opportunity to testify before the City Council Committee on Public Housing.

Respectfully Submitted:

Robert Desir
Ellen Davidson
Lucy Newman
The Legal Aid Society
Law Reform Unit
199 Water Street, 3rd Floor
New York, NY 10038
212-577 3271

SMALL PROPERTY OWNERS OF NEW YORK, INC.

Good morning Mr. Chairman and members of the council

My name is Edward Korman, Executive Vice President of Small Property Owners of New York, as well as a multi family property owner, housing Section 8 families. SPONY has many owners involved with Section 8. Since the 1990's, I initiated and have represented our industry along with CHIP, meeting with NYCHA to discuss problem situations effecting owners in the program with much success for both sides. We had meetings with the management teams, as well as the inspection units in each boro

Since NYCHA's reorganization condensing your operation with the one phone number for both owners and tenants, owners have not have the opportunity to reach out to NYCHA to resolve their situations. Such as; lease renewals, having not receiving requests as before. Owners submit Signed leases both by regular mail as well as certified mail. Before the change NYCHA sent a request for lease renewal which they no longer do. I have a number of their lease renewal request for almost a year that have not been responded to. When an owner calls the 718 number, one can wait more than thirty to sixty minuets after having the phone answered and than gets disconnected. Should one make contact, they are told we are working on it and to write letters, sent by proof of mailing to the post office box to be told we can't find it.

The biggest complaint from our members is the NE1 certifications of inspection and the suspensions of the rents. Sometimes an owner could be owed eight, nine months or more simply because it is claimed NYCHA has not received it. I, as well as other owners have faxed the NE1's As an example, enclosed, please find enclosed memo to Fran Creo, for one of my properties. Should an apartment fail HQS, I am notified by EMAIL and maybe sometimes by snail mail. AS OF LATE ONLY email. As per my last inspections for these two tenants, my certifications are sent timely. (I pride myself on the operation and condition of my properties) These NE1's were faxed to inspection unit more than once, and to Ms Creo two or three times. Payments sporadically stopped and started due to failed inspections for which I received no further notification.

Enclosed, you will find documents submitted with response from NYCHA

Exhibit #1 lease submitted 12/29/2011 received email response 03/28/2012 , explanation makes no sense.

#2 lease submitted 12/29/2011 received snail mail response dated 3/28/2012 with no explanation.

#3 Faxed Registration information.3 times did not answer

SPONY

1681 THIRD AVENUE • NEW YORK 10128 • (212) 410-4600

Exhibit #4 Condition of apartments when a tenant transfers and has rent arrears

There used to be a time when NYCHA would contact an owner if the tenant has rent arrears and if the tenant returned the keys. An owner cannot enter an apartment when a tenant supposedly moves until he gets the keys.

4A letter from NYCHA dated 07/20/2011 that the tenant moved as of 07/01/2011

4B A landlord release authorization dated 06/24/2011 for the tenant that is supposed to move in less than seven days.

I did not know the tenant moved out and did not get the keys back until August 22, 2011

And what a surprise we got. Garbage all over the place as well as furniture, no burners in the stove, rotted food, broken doors, broken windows and she left me a balance of two months rent because she needed the money to move.

4C Correspondence to NYCHA.

Just a recent episode. A tenant is requested a transfer. Last Friday I received a call from Mr. Mathew asking "did I receive the keys from Jessica." I had no idea her transfer was approved and neither did she. She received a call to pick up her "move out letter" and has to be out of my apartment before the end of the month. I will no longer receive any rent nor have I received any notification of the effective transfer. If she is not out by the first, I still have the tenant without rent and the new owner has a vacant apartment with my rent

4A

NEW YORK CITY HOUSING AUTHORITY
LEASED HOUSING DEPARTMENT
90 Church Street • New York, NY 10007

☐ Bronx/Manhattan Office
478 East Fordham Road, 2nd Fl.
Bronx, NY 10458

☐ Brooklyn/Staten Island Office
787 Atlantic Avenue, 2nd Fl.
Brooklyn, NY 11238

☐ Queens Office
90-27 Sutphin Boulevard, 4th Fl.
Queens, NY 11435

Customer Contact Center: (718) 707-7771

699 BUSCHWICK ASSOCIATES LLC
563 BARDINI DRIVE
MELVILLE NY 11747

Date: 07/2011

Re: ECHEVARRIA CARIDAD

699 BUSHWICK AV #2A

BROOKLYN NY 11221

Voucher No.: 0246224

Dear Landlord:

You are hereby advised that effective 07/31/2011 the rent subsidy paid by the Housing Authority's Section 8 Housing Choice Voucher Program for the tenant and apartment listed above will be/has been terminated. This action is being/has been taken for the following reason:

- ☐ Tenant deceased
- ☐ Tenant vacated apartment
- ☐ Tenant requested termination of Section 8 subsidy
- ☐ Subsidy suspended for 180 consecutive days for Housing Quality Standards (HQS) violations causing termination of HAP Contract and tenant's voucher for subject apartment
- ☒ Other: TRANSFER TO ANOTHER APT EFF FOR 07/01/2011

If you have any questions regarding this matter please call me at _____

Yours truly,

SC/LD

Assistant Manager



4B



06/24/2011

Re: Tenant Name CARIDAD ECHEVARRIA

Voucher Number 0246224

Address 699 BUSHWICK AV Unit 2A,
BROOKLYN,NY,11221

Lease Expiration 08/30/2011

Please be advised that the above mentioned Section 8 tenant has contacted our office to request a Section 8 transfer voucher. If the tenant's lease is still in effect and you have no objections to the tenant vacating the apartment, you must fill out and sign the bottom portion of this form and mail it back *directly* to the P.O. Box listed above.

If you have any questions regarding this matter, please contact the Customer Contact Center at 7187077771.

☐ I do not wish to release the Tenant from the lease.

☐ I understand that the above named Section 8 tenant does not wish to remain in his/her current apartment until the lease expiration date.

I am willing to release the tenant from his/her lease at a date to be determined in the future. I understand that the subsidy on behalf of the tenant may be suspended as a result of the tenant's transfer. I also understand that if this is a portability transfer (*transfer outside New York City*), and there are three (3) or less Section 8 tenants residing in the building, the subsidy for this tenant shall be suspended immediately upon issuance of a Section 8 portability voucher. Further, I acknowledge that the New York City Housing Authority's responsibility for the portion of the rent for the present apartment shall terminate on the effective transfer date, and that NYCHA is not responsible for any painting or repair incurred for the present apartment.

[illegible]

Owner's Name (Print)

[illegible]

Owner's Signature

--	--	--	--	--	--	--	--

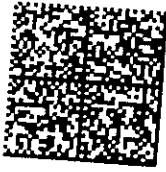
(mm/dd/yyyy)



0202890006



N.Y.C. HOUSING AUTHORITY
NICE
P. O. BOX 1342
NEW YORK, NY 10008



FIRST CLASS



4B

H 4e

Ed Korman

From: Ed Korman [ekorman@optonline.net]
Sent: Thursday, August 25, 2011 2:53 PM
To: 'Creo, Fran'
Subject: Re: Carridad

Hi Fran: an update about Carridad Echevarria;

We received the keys to the apt on Monday August 22, 2011 The mailbox key was not included they still have it. I conformed with the mail man that they were receiving mail during August

Con Ed turned off the electricity because of a large balance unpaid. How did she get a new account?

They set new NYCHA standards for HQS. Closet door broken in half, bedroom door broken moldings stove did not have the four burners, fridge disgusting, furniture, air conditioners Papers and garbage all over the apartment spoiled food in kitchen holes in the walls

The apartment is just the way it was when they moved in.
Aside from the 5 months due from NYCHA in the amount of \$6,262.00 for unknown reasons (as the person in your office told me because of inspection failure.
I faxed the certifications to the Inspection unit more than once and a few time to you. I have never received an other notice of inspection failure.

She owes two months rent for her share
I was notified by Email that "senior managers were fired and quit including the person who ran the section 8 program"
I cannot afford this lose and the thousands that it is going to cost to restore this Apt .I really appreciate all the help in the past and now but no one seems to pay attention to your requests or mine Please let me know where I stand

ASB4

Ed Korman

NEW YORK CITY HOUSING AUTHORITY
LEASED HOUSING DEPARTMENT
PO Box 19201
Long Island City, NY 11101

699 BUSCHWICK ASSOCIATES LLC.
563 BARDINI DRIVE
MELVILLE, NY, 11747

01/17/2012

CARIDAD ECHEVARRIA
1144 LELAND AV Unit 1A,
BRONX, NY, 10472

Voucher # 0246224

Vendor # 173121

Dear Landlord:

Federal regulations governing the Section 8 Housing Choice Voucher Program require us to inspect your tenant's apartment at least once each year. The purpose of this inspection is to assure that the apartment is being maintained in a decent, safe and sanitary condition, and that proper services are being provided.

Accordingly, this letter informs you that the inspector was unable to gain access on the last inspection appointment date we scheduled to the above-mentioned apartment. The tenant has not contacted us to reschedule another appointment.

A second inspection has been scheduled for the above-mentioned apartment on 02/02/2012 between 8:00 A.M. to 12:00 P.M. .

Because the inspection is between the tenant and the Authority, landlords are requested not to be present at the inspection.

IF THE TENANT IS NOT HOME FOR THIS SECOND SCHEDULED APPOINTMENT AND DOES NOT ARRANGE FOR AN ALTERNATE DATE, STEPS WILL BE TAKEN TO TERMINATE THE TENANT'S SUBSIDY. THE TENANT'S COOPERATION WILL MAKE THIS DRASTIC ACTION UNNECESSARY.

NOTE

Effective November 1, 2004, New York City regulations (Local Law 7/2004) require the installation of at least one carbon monoxide detector (alarm) in working order in all new and existing one - and two-family houses, apartment buildings and hotels.

Federal regulations require that every apartment in the Section 8 Program must have at least one smoke detector in proper working order on each level of the apartment. All landlords in the Section 8 Program were previously notified of this.

We are advising you of the above now so that, if you are aware that the smoke detector is not in proper working condition, or that the carbon monoxide detector is not installed and/or not in proper working condition, you can arrange to have it working correctly in time for inspection. Otherwise, the apartment will not pass Housing Quality Standards.

Very truly yours,

Leased Housing Department



New York City Housing Authority
Customer Contact Center

Telephone: (718) 707-7771

Exhibit
#1

☐ Bronx/Manhattan Office
478 East Fordham Road
1 Fordham Plaza, 2nd Fl.
Bronx, NY 10438

☒ Brooklyn/Staten Island Office
787 Atlantic Avenue
2nd Floor
Brooklyn, NY 11238

☐ Queens Office
90-27 Sutphin Blvd.
4th Floor
Jamaica, NY 11435

Name John Thomas

Date 12/29/2011

Voucher# 0230894

Vendor# -

This is a receipt that the following was received on the date indicated above. Please note that if additional information is needed you will receive notification by mail.

☐ Annual Recertification Package

☒ Lease Renewal Form/Lease

☐ Transfer Request (Five Borough Transfer/Portability Transfer)

☐ Responding to Termination of Subsidy Letter

☐ IA-1 (Additional Information)

☐ T-1 (Inspection Unit/Annual Recertification/Management Services)

☐ T-3 (Inspection Unit/Annual Recertification/Management Services)

☐ Other Documents _____

☐ MD-34

☐ Pay Stub(s)

☐ Employment Termination Letter

☐ UIB Determination Letter

☐ Third Party Verification

☐ Birth Certificate

☐ Affirmation of Non-Employment

☐ Social Security Card

☐ Permanent/Conditional Permission Package

☐ Social Security Award Letter

☐ Bank Statement(s)

☐ PA Budget Letter

☐ Utility Bill

☐ Notarized Letter

For appointments, status updates or any other questions, please call (718) 707-7771.

*1276.00 - #1***Ed Korman**

From: Campbell, Dolly [Dolly.Campbell@nycha.nyc.gov]
Sent: Wednesday, March 28, 2012 4:32 PM
To: 'EKORMAN@OPTONLINE.NET'
Cc: Campbell, Dolly
Subject: 0230894
Follow Up Flag: Follow up
Flag Status: Red

Good afternoon
Please correct lease
John Thomas-699 BUSHWICK AV Unit 4B
1276.00@4.50%=1333.42
Phone #718 817-6738

Dolly Campbell
Housing Assistant
Leased Housing Department
1 Fordham Plaza, Bronx, NY 10458
ofc.(718)817-6738
fax.(718)329-7705
cel.(646)359-5138
New York City Housing Authority | www.nyc.gov/nycha

This e-mail and any subsequent e-mails in this thread and any included attachments are for the exclusive and confidential use of the intended recipient(s). If you received this e-mail in error, please do not read, distribute, or take action in reliance upon this e-mail. Instead, please notify the signatory above immediately by return e-mail and promptly delete this e-mail and any attachments from your computer system. Neither the New York City Housing Authority nor the signatory above waive attorney-client or attorney work-product privilege by the transmission of this e-mail and any attachments.

Please think of the environment before you print this e-mail

4/19/2012

$$L = \varphi_h(B) + 2$$

— Queens Office
90-27 Sutphin Blvd.
4th Floor
Jamaica, NY 11435

Date 12/29/2011

Vendor#

Annual Recertification Package

~~X~~ Lease Renewal Form/Lease

Transfer Request (Five Borough Transfer/Portability Transfer)

Responding to Termination of Subsidy Letter

____ IA-1 (Additional Information)

____ T-1 (Inspection Unit/Annual Recertification/Management Services)

T-3 (Inspection Unit/Annual Recertification/Management Services)

Other Documents

____ Pay Stub(s)

____ **UIB Determination
Letter**

____ Birth Certificate

Social Security Card

**Social Security Award
Letter**

PA Budget Letter

 Notarized Letter

For appointments, status updates or any other questions, please call (718)707-7771.

NEW YORK CITY HOUSING AUTHORITY
LEASED HOUSING DEPARTMENT

Exhibit 2

PO Box 19197
Long Island City, NY 11101

699 BUSCHWICK ASSOCIATES LLC.

03/28/2012

563 BARDINI DRIVE

Re: SAIDA HODGES

MELVILLE, NY, 11747

Voucher # 0595089

Vendor # 173121

Dear Landlord:

Our records indicate that you have submitted a request for a rent increase for the above listed Section 8 tenant to the New York City Housing Authority (NYCHA). NYCHA has evaluated your request and has made the following determination:

☐ Approved

NOTE: Please be advised that NYCHA cannot process your rent increase unless you submit all required documentation.

☒ Disapproved

Reason(s) for disapproval:

If you have any questions, please contact the NYCHA Customer Contact Center at 718-707-7771.

Mr
Knot
3/5/12

Yours truly,

Leased Housing Department



Exhibit #3.

NEW YORK CITY HOUSING AUTHORITY
REGISTRATION FOR SECTION 8 INFORMATION

Dear Section 8 Landlord:

Thank you for registering for the Authority's Section 8 Landlord Extranet.

This notice is for current Authority Section 8 landlords who have multiple vendor numbers. To expedite your receipt of inspection notices via the Internet, please complete the information below. You may fax this form to 212-306-0726 or mail it to: **New York City Housing Authority, Leased Housing Department, 90 Church Street, New York, NY 10007, Attention: Computerization.**

Rings & Rings no ANS

Leased Housing Department

Please forward

LANDLORD NAME 690 Onderdonk Associate LLC

CONTACT NAME Edward Korman

LANDLORD ADDRESS 563 Bardini Drive APT./SUITE _____

CITY Melville STATE NY ZIP CODE 11747

TELEPHONE 516 578*0851 FAX NUMBER 631 424 - 5406

E-MAIL ADDRESS ekorman@optonline.Net

VENDOR NUMBERS				
220414				

Attach extra pages if necessary.

COMPLETED BY *Edward Korman* DATE *04/09/12*
(Print & Sign)

FOR NYCHA USE ONLY	
DATE SUBMITTED TO QUALITY CONTROL	
DATE ENTERED	ENTERED BY

Fax this form to 212-306-0726

*** ERROR TX REPORT ***

Exhibit #3

TX FUNCTION WAS NOT COMPLETED

TX/RX NO 1840
CONNECTION TEL 12123060726
SUBADDRESS
CONNECTION ID
ST. TIME 04/24 00:50
USAGE T 00'00
PGS. SENT 0
RESULT NG #018 BUSY/NO SIGNAL

04/09/2012 02:39 FAX 631 424 5406

EDWARD KORMAN

001

*** ERROR TX REPORT ***

TX FUNCTION WAS NOT COMPLETED

TX/RX NO 1831
CONNECTION TEL 12123060726
SUBADDRESS
CONNECTION ID
ST. TIME 04/09 02:39
USAGE T 00'00
PGS. SENT 0
RESULT NG STOP

04/09/2012 02:39 FAX 631 424 5406

EDWARD KORMAN

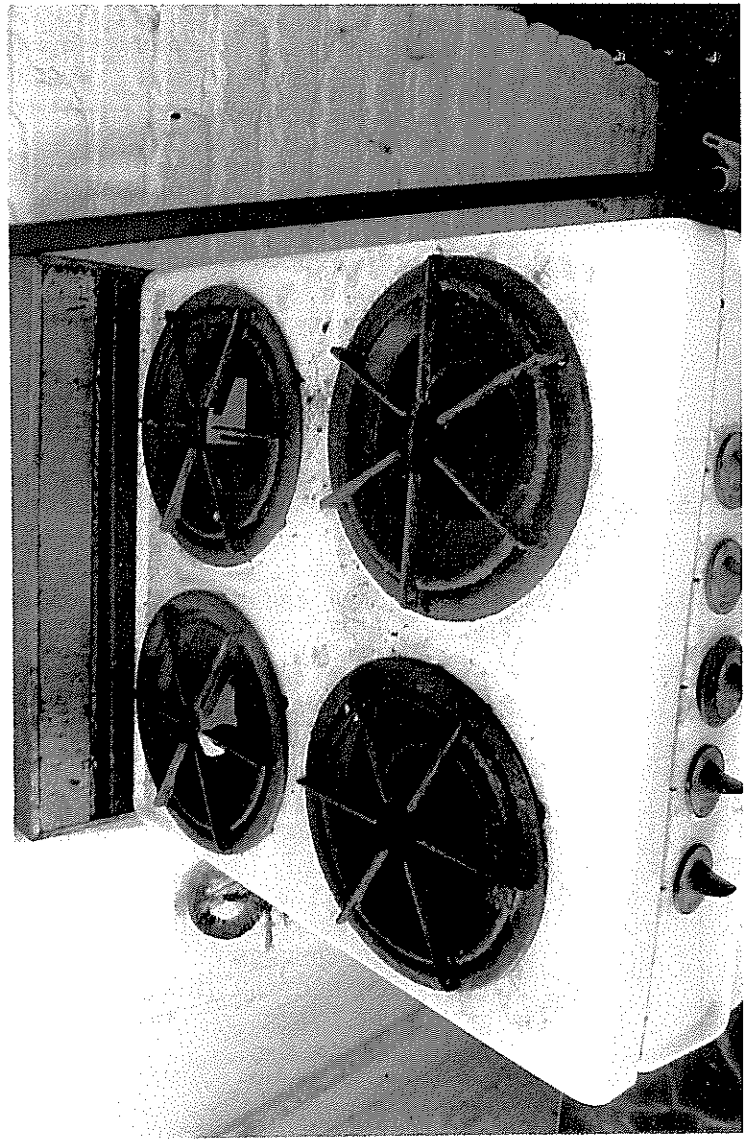
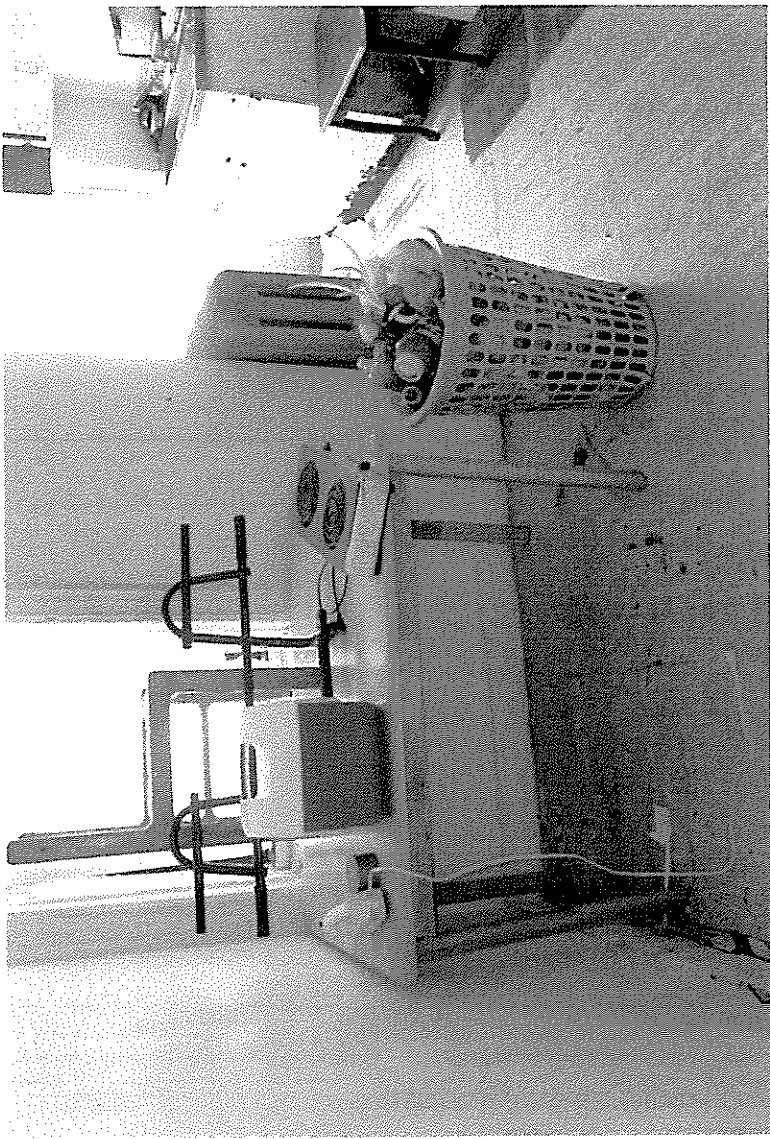
001

*** ERROR TX REPORT ***

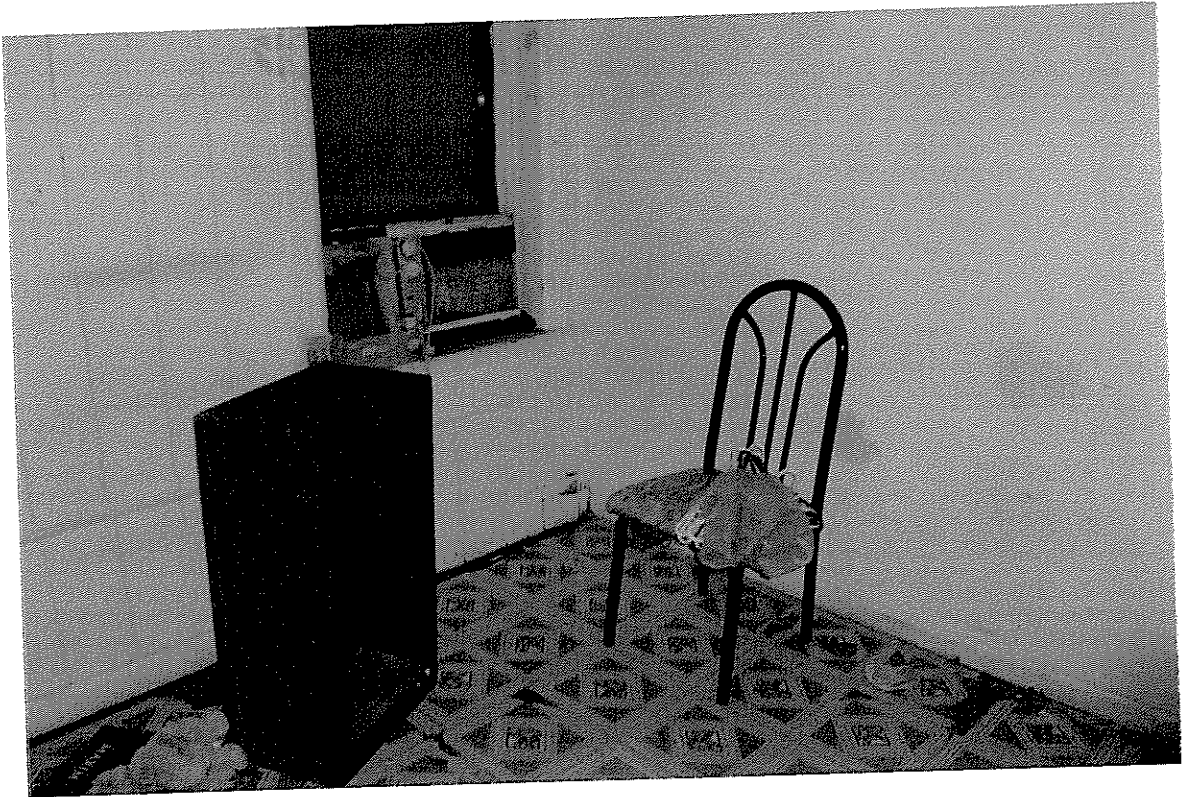
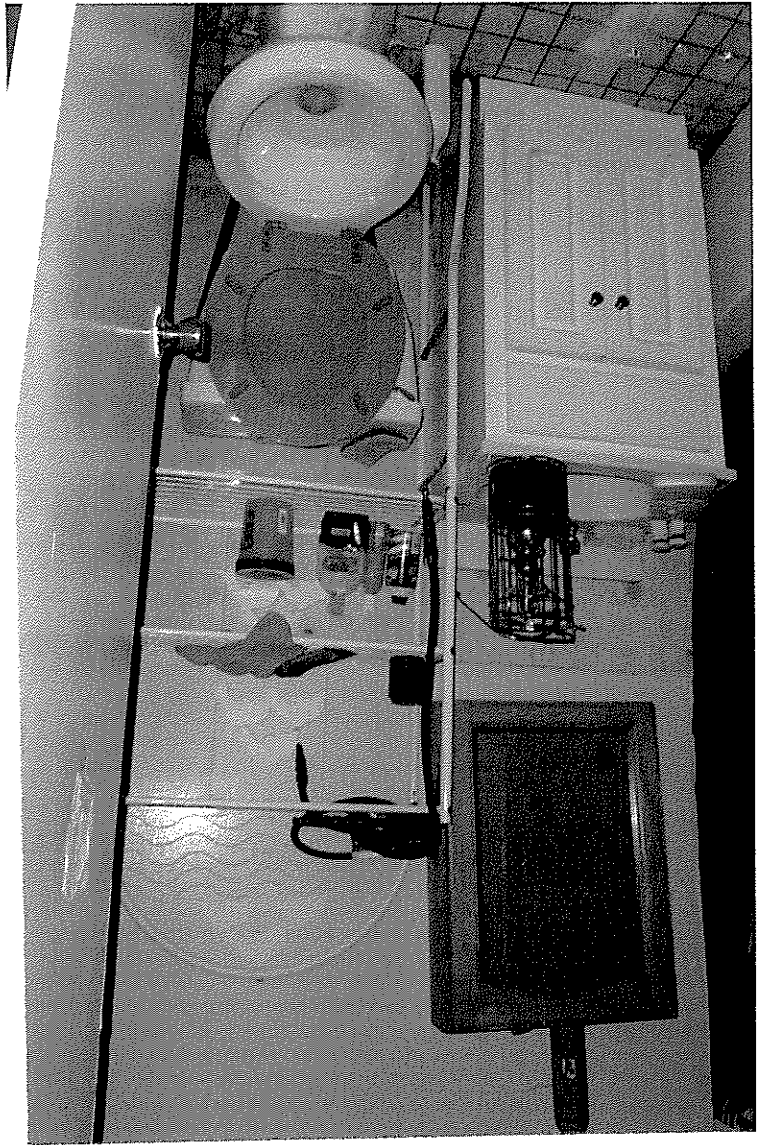
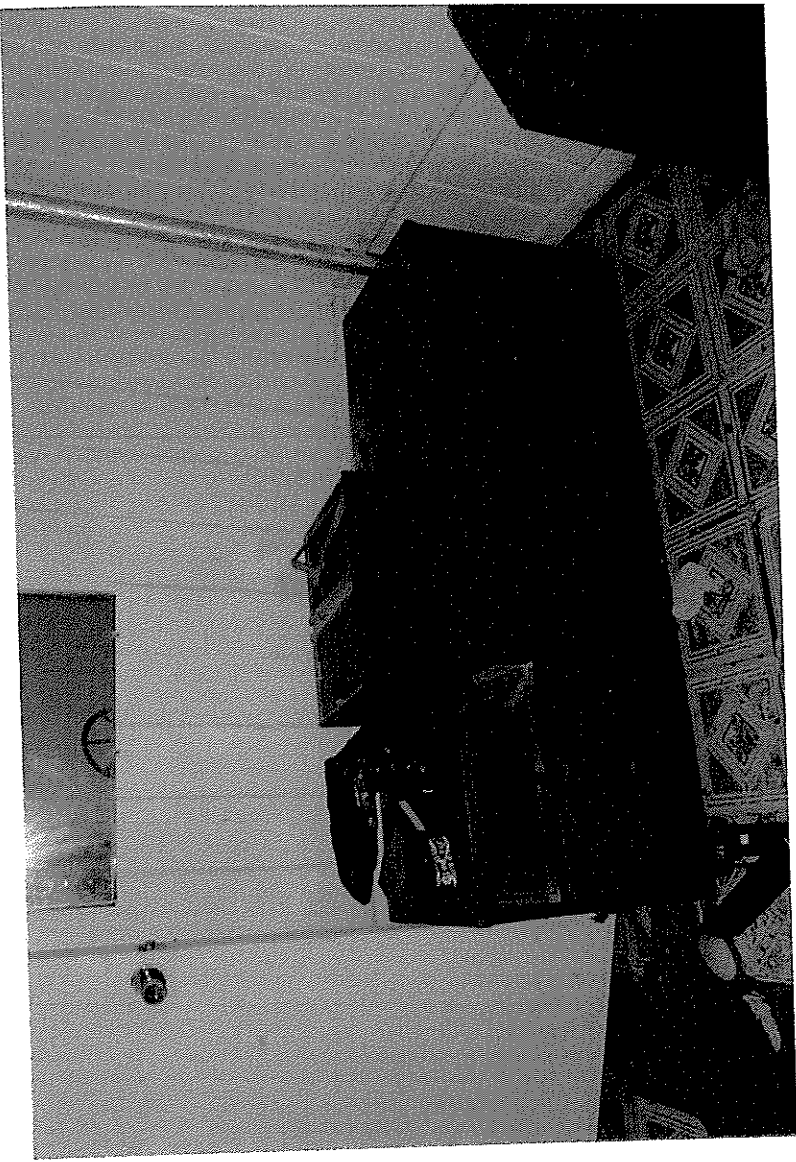
TX FUNCTION WAS NOT COMPLETED

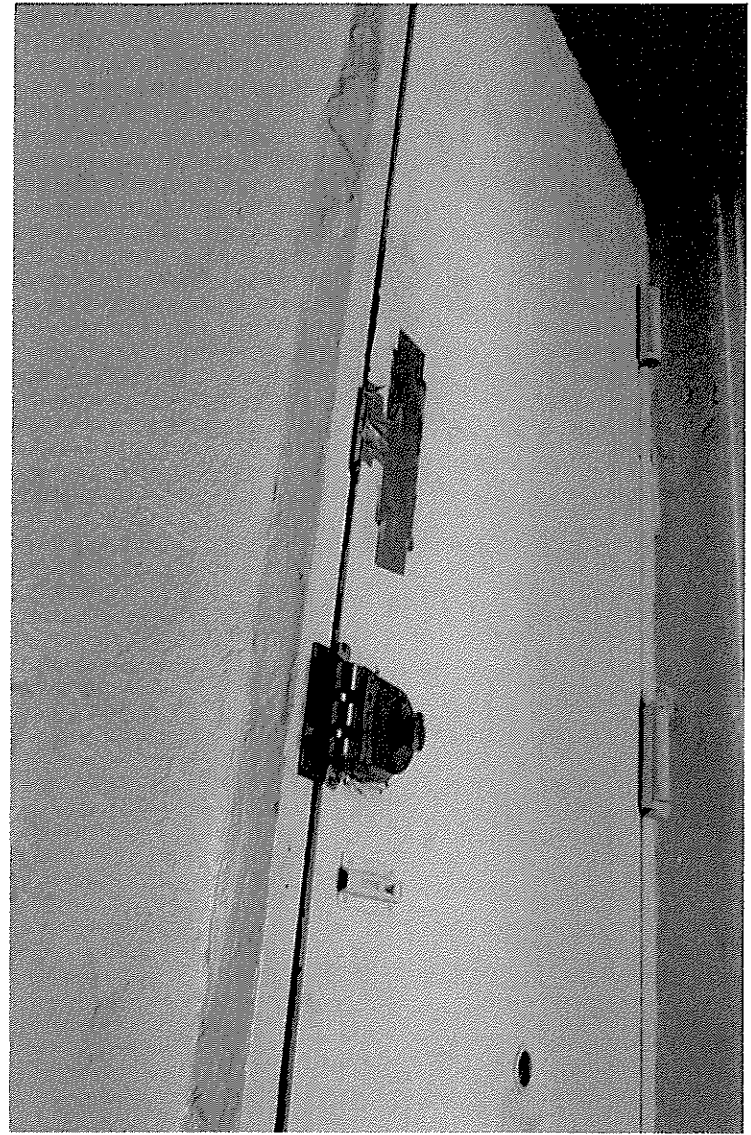
TX/RX NO 1830
CONNECTION TEL 12123060726
SUBADDRESS
CONNECTION ID
ST. TIME 04/09 02:38
USAGE T 00'00
PGS. SENT 0
RESULT NG #018 BUSY/NO SIGNAL

NEW YORK CITY HOUSING AUTHORITY
REGISTRATION FOR SECTION 8 INFORMATION

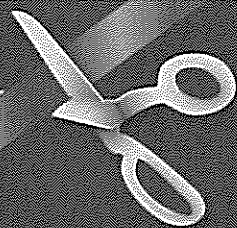








November 2011



FIGHTING RED TAPE & TECHNICAL ERRORS

BEHIND THE SCENES OF THE SECTION 8 HOUSING PROGRAM

A Red Tape Report by:



Office of
Bill de Blasio
PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Prepared by:

Jacqueline Sherman

With support from:

Ursulina Ramirez, America Canas, Sarah Figuereo & the
Public Advocate's Constituent Services Department

INTRODUCTION

Between June and October of this year, the Office of Public Advocate Bill de Blasio has experienced a sharp increase in constituent complaints from landlords and tenants regarding the New York City Housing Authority's ("NYCHA" or the "Agency") Section 8 program. The housing voucher program administered by NYCHA is a lifeline for nearly 100,000 households, helping them secure safe and decent housing they might otherwise be unable to afford. But because of bureaucratic red tape and technical errors, NYCHA is failing to provide on-time rent at the appropriate level, leaving tenants at risk of eviction.

The housing voucher program administered by NYCHA is a lifeline for nearly 100,000 households . . . But because of bureaucratic red tape and technical errors, the agency is failing to provide on-time rent at the appropriate level.

The Public Advocate has received reports from 39 landlords¹ and 33 tenants regarding unpaid rent due to computer system backlogs at NYCHA—and they appear to be indicative of a much more widespread problem. These mistakes have significant consequences for landlords and tenants alike. Some landlords have reported tens of thousands of dollars in Section 8 payments due; some lead to risk of defaults on mortgage payments. The deficits also can leave landlords unable to maintain their buildings. As a result, some landlords have commenced eviction proceedings against tenants with unpaid Section 8 rent. Tenants risk the loss of their homes and the vouchers that enable them to secure permanent, affordable housing. These problems have been compounded by new communications procedures and organizational structure at NYCHA that make it difficult for landlords and tenants to reach NYCHA staff who are versed in their cases and can help cut through the red tape.

To learn more about these problems and determine their source, the Public Advocate's Office conducted a review of recent constituent cases and held discussions with property owners and their representatives, as well as advocates for Section 8 tenants. The research revealed widespread errors with tenant recertifications and lease renewals, which were the result of bureaucratic red tape and technical errors at NYCHA.

Given the stakes for tenants and building owners, NYCHA must immediately put in place quality controls to prevent the wrongful termination and suspensions of Section 8 benefits, and to ensure that benefits are paid on time and in the proper amount. Moreover, NYCHA must address any wrongful terminations of Section 8 benefits made in the past year by conducting a thorough review of these cases.

In addition to addressing administrative issues in the short term, there should be an examination of how the City might strengthen overall management of the Section 8 program through streamlining and a higher level of coordination in overall program administration.

¹ Landlord and building owner are used interchangeably throughout the document.

Background on the Section 8 Voucher Program

NYCHA and the Department of Housing Preservation & Development (HPD) separately administer the federally funded Section 8 program in New York City.² The Section 8 voucher program is a portable rent subsidy that allows participants to choose their own private market apartments, which are pre-approved by the agency administering the program (either NYCHA or HPD).³

Nearly 100,000 households in New York City depend upon Section 8 vouchers administered by NYCHA for their permanent housing.⁴ Participating families' income falls below 50% of the area median income. Program participants are responsible for paying no more than 30% of their income for rent. The administrator is responsible for paying the remainder of the rent, for which it is reimbursed by the federal government. HPD and NYCHA also receive payments from the federal Department of Housing and Urban Development to cover the costs of administering the Section 8 program.

BUREAUCRATIC RED TAPE & TECHNICAL ERRORS AT NYCHA

A. Problems in the Recertification Process

Annual Recertifications

Tenants who participate in the Section 8 program must recertify their eligibility for the program every year. Several months prior to the end of the lease, NYCHA is supposed to send each participant a recertification package, which includes an Affidavit of Income. Participants must complete the forms in the recertification package, which require information regarding family composition, household income and citizenship. NYCHA uses the information supplied to determine ongoing eligibility for the program and the participant's rent portion for the upcoming year.⁵ Failure to complete the recertification process is grounds for termination from the program. When a participant is terminated from the program, NYCHA stops paying its portion of the rent. As arrearages grow, participants face an increasing risk of eviction.⁶

During the last year, NYCHA transitioned to a new computer system and organizational structure designed to streamline administration of the Section 8 program. Instead of ensuring on time mailing of recertification materials

²The New York State Division of Homes and Community Renewal also administer a small number of Section 8 vouchers for participants in New York City.

³ See Section 8 Housing Choice Voucher Description available on the New York City Housing Authority's website, at: http://www.nyc.gov/html/nycha/downloads/pdf/lh_housing_choice.pdf

⁴ Approximately 35,000 additional households have vouchers administered by HPD.

⁵ See *How does the Recertification Process Work*, accessed on November 4, 2011, http://www.nyc.gov/html/nycha/html/section8/lh_ten_fags.shtml#q1

⁶ Some participants who have encountered problems with the recertification process reportedly have been suspended rather than terminated from the program. Suspension, like termination, leads NYCHA to stop paying its portion of the rent. Absent an effective mechanism to dispute this step and timely reinstate payments, participants who have been suspended face increased risk of eviction.

and other notices, the computer system has compounded problems. Notwithstanding widespread reports from Section 8 recipients that they have not received recertification materials and that they have received notification of items missing from their recertification packages in error, as well as substantial reported backlogs with respect to data entry of recertification materials, the new computer system reportedly has been programmed to generate termination notices automatically when recertification materials are missing. NYCHA staff apparently have not been reviewing automatically generated termination notices and checking them against material submitted to the Agency but not entered in the computer system before termination notices have been sent to tenants. A substantial number of tenants have reported that they received no recertification package from NYCHA, but later learned that they were terminated from the program for failure to recertify. Other Section 8 participants have complained that they submitted recertification materials to NYCHA – sometimes multiple times -- but later learned that they were terminated from the program because NYCHA had no record of receiving recertification materials.⁷

According to tenants who have complained directly to the Public Advocate's Office and advocates representing many others throughout the City, NYCHA routinely fails to provide participants a real opportunity for a hearing prior to terminating their assistance. As a result, Section 8 participants are losing their subsidy, even when they have submitted all recertification materials. As discussed above, the most common breakdowns in the recertification process appear to be NYCHA's failure to send recertification materials and to enter submitted materials into the new computer system in a timely manner. In addition, problems have arisen because NYCHA does not send participants and landlords required notices detailing information they are missing in the recertification process; subsidies have been terminated or suspended notwithstanding participants' requests for fair hearings; there have been long delays in the scheduling of hearings; and requests to restore vouchers have been routinely denied, even where there is proof of errors by NYCHA.

A substantial number of tenants have reported that they received no recertification package from NYCHA, but later learned that they were terminated from the program for failure to recertify.

Case Study: The Financial Impact of "Computer Problems"

Marisol C. has been a Section 8 participant for 15 years and has lived in her current apartment in West Harlem for 14 years. She lives with her elderly mother and teenage son. Ms. C was laid off from her job as a legal secretary at the beginning of 2009 and received unemployment compensation until the end of 2010. In January 2011, Ms. C began to receive public assistance, at which time she notified NYCHA of the reduction in her income. In February, she visited the NYCHA borough office to check on the status of rent change. At an informal conference, a NYCHA representative asked Ms. C to be patient and explained that the agency was having problems with a new computer system. The representative further explained that NYCHA's efforts to re-scan documents were leading to processing delays for many people. When Ms. C returned to check on the status of the rent adjustment process in May, a representative told her that everything would be okay and that they would take care of it. As of November 4, 2011, NYCHA has not processed the change. As a result, Ms. C remains responsible for monthly rent that is approximately \$200 more than she can afford or should be required to pay.

⁷ In some instances, NYCHA may be suspending payment of its portion of the rent rather than formally terminating participants from the program. As arrearages grow, such suspensions also put tenants at risk of eviction.

Interim Recertifications

When a Section 8 participant's income changes during the year, NYCHA is required to conduct an interim examination – upon request by the tenant – to determine the appropriate share of the rent and ensure that the participant's share of the rent does not exceed 30% of their income. Constituent complaints and communications with advocates have revealed a number of problems with this process, including: serious delays in completing recalculations of rent share; inaccurate calculations; lack of clear, written notice of share changes or notification of their right to contest calculations at a fair hearing; and improper determination of effective dates for changes.

Problems with interim recertifications leave tenants with a rent burden that is disproportionate to their income and, in many instances, beyond their reach.

Participants have reported waiting months for NYCHA to act upon interim recertification requests. They have complained of visiting NYCHA offices to seek relief, only to be urged to “be patient” or to be informed that the agency would act on the request. Problems with interim recertifications leave tenants with a rent burden that is disproportionate to their income and, in many instances, beyond their reach. When tenants cannot afford to pay their share of the rent, building owners face the prospect of growing arrearages. When NYCHA does not fix the problem, they have little recourse but to bring the tenant to court to attempt to obtain proper rents.

B. Problems with the Lease Renewal Process

The lease renewal process for Section 8 involves an annual apartment inspection and paperwork that must be submitted to NYCHA. Since the implementation of NYCHA's new administrative procedures, both have given rise to numerous problems.

Annual inspections

Regulations governing the Section 8 program require annual inspections to determine if units meet federally determined “housing quality standards.” If an apartment fails inspection, the owner must correct the problems and demonstrate that they have been fixed before NYCHA renews the lease and issues rent payments. The Public Advocate's Office has received 44 complaints since June 2011 regarding problems with the inspection process.

These complaints and others that have been conveyed through conversations with other building owners include: notifications of upcoming inspections that have not been mailed in a timely fashion; owners who have not received notice of failed inspections (and instead have learned that something is wrong when they stop receiving rent); and that NYCHA does not reinspect apartments in a timely fashion or reinstate payments when repairs have been made.

Building owners have stated that, prior to changes to NYCHA's administrative structure this year, they were able to obtain faxed copies of notices of failed inspections through their NYCHA contact. Since NYCHA implemented its centralized complaint line earlier this year, landlords now must call the centralized complaint line and request a copy of the failed inspection notice to be mailed to them. Building owners have reported extraordinary difficulty contacting NYCHA representatives through the centralized call line, as well as lack of follow through by NYCHA on actually sending them the required materials. This system has left landlords unaware of how to cure problems that

lead to termination of rental payments. It also has resulted in delay of repairs, as landlords have not received notice of problems until they stop receiving rent payments.

Lease renewal paperwork

One common complaint reported by building owners relates to the process for gaining approval of rent increases upon lease renewal. Landlords have complained about a slow, inefficient process that leaves them waiting for months to receive rent increases to which they are entitled. Lease renewal requests must be submitted prior to the proposed effective date of the new lease. Landlords are responsible for requesting rent increases as part of the lease renewal process. In prior years, NYCHA sent landlords notice of renewal, which provided basic information regarding the tenant, a form to complete, and information about where to send renewal materials.



Building owners have complained that NYCHA changed its lease renewal process in the past year without providing any notice of the change. NYCHA reportedly stopped sending notices of renewal to landlords. Moreover, landlords report that NYCHA has not responded to lease renewal requests in a timely manner, which has left them in a position of not receiving rent increases to which they are entitled. Landlords have also reported inaccuracies in rent increases that are processed by NYCHA. For the majority of Section 8 landlords, whose apartments are rent-stabilized, the amount of annual increases are established by the New York City Rent Guidelines Board and should be readily ascertainable. While it is difficult to pinpoint the precise cause of the problem, the agency has not informed landlords of where to send renewal materials. This has led to confusion, as some landlords have continued to send materials to the address that they had used for years, only to learn that NYCHA had opened a new facility to receive lease renewals without providing notice.

One landlord that has over 100 Section 8 tenants indicated that NYCHA has processed only two of 36 lease renewals submitted since the beginning of the year correctly. When landlords do not receive rent and cannot obtain an explanation for why, or their efforts to cure the problems are fruitless, they are left with few options other than to file costly legal proceedings that place Section 8 participants at risk of losing their housing.

RECOMMENDATIONS

Given the size of NYCHA's Section 8 program, the problems discussed above may well be affecting thousands of New Yorkers who rely on Section 8 for stable, affordable housing. Section 8 participants and participating landlords alike benefit from consistency in the administration of the program, which is crucial to maintaining permanent housing and to providing income that enables landlords to maintain their rental properties. Problems with respect to NYCHA's administration of Section 8 undermine confidence in the Agency and have real consequences for tenants and landlords alike.

A series of administrative reforms at NYCHA could dramatically improve the administration of the Section 8 program:

① Address problems with annual recertification process

- **Stop issuing computer generated terminations/suspensions and stop terminating participants from the Section 8 program for failure to recertify until the system is overhauled** to prevent erroneous issuance of termination letters.
- **Review all terminations for failure to recertify issued over the past year** to ensure that participants have not been terminated in error.
- **Going forward, prior to termination and suspensions, NYCHA staff should check every file to determine whether the recertification was completed and whether appropriate termination notices were sent** and participant was given an opportunity to request a hearing prior to terminating participant for failure to recertify.

② Ensure a timely response to interim recertification applications

- Review all requests for interim recertification made over the past year for accuracy.
- Going forward, process all interim recertification applications within one month.

③ Improve communication with landlords and tenants

Many of the complaints received by the Public Advocate's Office could be resolved through relatively simple steps designed to ensure clear communication of program requirements and an effective means of resolving questions and problems as they arise:

- **Assign a specific representative to respond to questions from tenants and owners.** Tenants and owners have indicated that clear, consistent points of contact with the Agency would help to resolve minor issues.
- **Publish clear, accurate and up-to-date information regarding the lease renewal process on the NYCHA website.** Landlords have indicated confusion about the lease renewal process, including how to begin the process, where to send materials required to complete the process, and who to follow up with when questions arise. Publication of a clear and accurate description of the lease renewal process would resolve many of these basic questions. NYCHA should have a process for regular review and updating of information as necessary to ensure accuracy.
- **The Agency must ensure that landlords receive timely notice of inspections and of failed inspections.** The agency must conduct re-inspections in a timely fashion and ensure that payments are made to landlords where repairs are made.

The Agency should publish a plan that details steps it intends to take to address problems discussed in this report. The plan should include a description of the approach the agency will take to (i) review terminations and suspensions for failure to complete the recertification process that have occurred over the past year to determine whether errors have been made; (ii) address the backlog in interim recertification requests made over the past year and review requests that have been processed for accuracy; and (iii) address backlogs in processing recertification materials and lease renewal requests.

In addition to addressing administrative issues in the short term, there should be an examination of how the City could strengthen overall management of the Section 8 program through streamlining and increased coordination in overall program administration.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Karen Bacdayan

Address: 180 Livingston Street Brooklyn NY

I represent: Legal Services

Address: Same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 4/6/12

(PLEASE PRINT)

Name: Angela Diaz

Address: 1245 59th Street

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: ED Korman

Address: 663 Broadway Drive Inland NY

I represent: SPON

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 4/26/12

(PLEASE PRINT)

Name: Ian Davie, Legal Services NYC-Bronx

Address: 329 E. 149th St, Bronx, NY 10451

I represent: Legal Services NYC-Bronx

Address: (above)

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Appearance Card

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T2012-4635 Date: 4/26/2012

(PLEASE PRINT)

Name: Joseph Condon

Address: 5 Hammer Square, Rm 1605

I represent: Community Housing Improvement Program

Address: same

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Appearance Card

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☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Robert Desir - Legal Aid Society

Address: 199 Water Street 3rd floor New York NY 10038

I represent: Tenants

Address: _____

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☐ in favor ☐ in opposition

Date: 4/26/12

Name: Carlos Serrano (PLEASE PRINT)

Address: _____

I represent: NYCHA

Address: _____

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☐ in favor ☐ in opposition

Date: 4/26/12

Name: Steve Rappaport (PLEASE PRINT)

Address: _____

I represent: NYCHA

Address: _____

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Appearance Card

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☐ in favor ☐ in opposition

Date: 4/26/12

Name: Atefeh Razi (PLEASE PRINT)

Address: _____

I represent: NYCHA

Address: _____

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