



**Memorandum in Support  
May 30, 2014**

*Re: A.9744 (Kavanagh); S.7640 (Savino), An act to amend the real property tax law, in relation to the tax abatement and exemption for rent regulated and rent controlled property occupied by persons with disabilities, and providing for the repeal of certain provisions upon the expiration thereof*

Coalition for the Homeless urges adoption of this legislation as soon as possible so that households headed by people with disabilities in the Disability Rent Increase Exemption program (DRIE) can benefit from the same change in the income eligibility requirement that was adopted as part of the 2014-15 NYS Budget for the benefit of senior citizens in the Senior Citizen Rent Increase Exemption program (SCRIE).

**The Disability Rent Increase Exemption program**

The Disability Rent Increase Exemption program prevents homelessness, helps avert institutionalization, and preserves housing affordability for thousands of tenants living with disabilities who are on fixed incomes. Currently the DRIE program assists tenants of rent-stabilized and rent-controlled apartments with low incomes who pay more than one-third of their income for rent. The program was established in 2005 and expanded upon the equally-successful Senior Citizens Rent Increase Exemption program: Each program exempts eligible tenants from rent increases and provides refundable real property tax abatements in the amount of the foregone rent to landlords.

The SCRIE program was recently expanded to assist tenants with annual incomes up to \$50,000. Expanding the DRIE program to bring it into parity with the SCRIE program will help more tenants living with disabilities at an extremely modest cost to taxpayers of around \$200,000 in the first year.

**Background on the DRIE program**

The DRIE program provides exemptions from rent increases to heads of households living with disabilities with low incomes (currently annual incomes below \$20,412 for an individual or \$29,484 for two or more people), and who pay more than one-third of their income for rent. Tenants assisted by the DRIE program have fixed incomes and receive disability benefits including Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), Veterans Administration disability compensation or pensions, and Medicaid for a recipient who has been determined to have a disability. More than 11,000 households are enrolled in the DRIE program in New York City at a total annual cost of \$18.6 million. (In comparison, about 53,000 households are enrolled in the SCRIE program at an annual cost of \$135.7 million.)

The DRIE program prevents homelessness and preserves housing affordability for a particularly vulnerable group of tenants. Annual cost-of-living increases for disability benefits are far smaller than annual rent increases for rent-stabilized apartments, putting these tenants at serious risk of displacement and homelessness.

**Expanding Eligibility for the DRIE program**

As part of the recently-adopted State budget, the New York State Legislature and Governor Cuomo expanded eligibility for the SCRIE program to assist households with annual incomes up to \$50,000.

In May the New York City Council passed legislation to enact those changes in New York City, and the bill was signed into law this week.

This legislation would allow the City of New York to extend the higher income limit to households headed by people with disabilities by adopting a local law, and to assume the cost of expansion of the program for at least the first year.

Our analysis, based on U.S. Census Bureau data and an earlier fiscal analysis by the NYC Independent Budget Office, shows that the cost of bringing the DRIE program into parity with the SCRIE program is extremely modest. In the first year the annual cost of expanding eligibility for the DRIE program would be between \$175,739 and \$217,147. By the fifth year, the annual cost of the expansion would be between \$383,431 and \$473,776. (The reason that the cost of expanding the program is so modest is that there are relatively few tenants living with disabilities who earn between \$20,000 and \$50,000 annually and who pay more than one-third of their income for rent.)

**Notably, this expansion would include a group that has been left out of DRIE since its inception: Military Veterans with 100 percent disability ratings. Because those with the greatest degree of disability receive the greatest compensation, the incomes of this most vulnerable households place them above the current income cap for DRIE. This legislation would remedy that problem by raising the cap to an amount that exceeds the compensation provided veterans with 100 percent disability ratings.**

For the foregoing reasons, the Coalition for the Homeless urges the New York State Legislature to pass and Governor Cuomo to sign this bill into law. It would permit the City of New York and some 16 other localities the option to expand eligibility for the DRIE program to assist tenants with annual incomes up to \$50,000. We are gratified that Mayor de Blasio has expressed support for this expansion in his housing plan and are urging that the necessary funding for such an expansion of the DRIE program be included in the FY 2015 City budget currently under negotiation.

*For additional information, please contact Shelly Nortz, Deputy Executive Director for Policy at 518-436-5612.*