



# Homes and Community Renewal

KATHY HOCHUL  
Governor

RUTHANNE VISNAUSKAS  
Commissioner/CEO

September 11, 2023

Diane Gustard  
Audit Manager, Division of State Government Accountability  
Office of the State Comptroller  
110 State Street  
Albany, New York 12236

**Re: Homes and Community Renewal (“HCR”) Office of Rent Administration (“ORA”):  
Collection of Fines Related to Tenant Complaints Report 2023-F-9 (“Report”)**

Dear Ms. Gustard:

This letter is in response to the Office of the State Comptroller’s (“OSC”) August 10, 2023 Report detailing its follow-up review of its prior audit of ORA’s collection of fines related to tenant complaints, which was issued in Report 2018-S-58 dated December 2019.

ORA is an office within HCR’s Division of Housing and Community Renewal (“DHCR”) that administers the State’s rent laws and regulations. The Enforcement/Compliance Unit is a unit within ORA that is tasked with enforcement of the rent laws by, among other things, imposition of civil penalties authorized by law. ORA continually strives to improve all facets of its enforcement mechanisms to achieve compliance with the rent laws. We valued the opportunity to work with OSC’s auditors in this regard.

**Recommendation 1** – *Develop policies and establish a system that accurately tracks fines and settlements.*

**OSC Status Determination** – Implemented

**ORA Response** – ORA agrees this recommendation has been implemented and will continue to follow its policies to ensure all fines and settlements are accurately tracked.

**Recommendation 2** – *Improve communication between ORA and Finance concerning fines imposed and collected.*

**OSC Status Determination** – Implemented

**ORA Response** – ORA agrees this recommendation has been implemented and will continue to maintain effective communication with DHCR’s Finance Department as needed.

**Recommendation 3** – *Exercise full authority to collect outstanding fines.*

**OSC Status Determination** – Implemented

**ORA Response** – ORA agrees this recommendation has been implemented and will continue to exercise its full authority to collect outstanding fines. It is noted that ORA reinstated its process of referring all unpaid docketed judgments to the New York State Attorney General’s Civil Recoveries Bureau in March 2020, not June 2022 as reflected in the Report.

**Recommendation 4** – *Consider whether the current settlement amounts are sufficient, particularly for owners who repeatedly fail to provide essential services.*

**OSC Status Determination** – Not Implemented

**ORA Response** – ORA considered this recommendation but continues to believe that its current approach is the best practice. ORA continues to exercise its full authority to impose fines in formal proceedings based on the civil penalty schedules set forth in the laws governing rent regulation. This recommendation was concerned with ORA’s practice of settling matters for amounts below the amount that would be sought at a formal hearing during informal processing of noncompliance cases. These settlements are intended to expeditiously resolve outstanding issues for all parties involved while still levying penalties for noncompliance. ORA continues to believe that the informal settlements at their present amounts achieve these purposes. As the Report notes, ORA also continues to believe that the many safeguards it has in place to prevent abuse of the informal settlement process are sufficient to counteract repeat offenders, including not offering the \$100 settlements in cases involving emergency conditions and not offering any informal settlements to offenders who have previously settled with ORA but have not complied with the issued order.

**Recommendation 5** – *Track repeat offenders and consider opening harassment cases against these owners, if warranted.*

**OSC Status Determination** – Partially Implemented

**ORA Response** – ORA appreciates that OSC’s Report recognizes that ORA has meaningful procedures in place to handle repeat offenders and that its efforts are bolstered by the DHCR Tenant Protection Unit, which was specifically created to address the issue of systemic bad actors and repeat offenders. It is understood that this recommendation was deemed partially resolved only because ORA does not maintain a formal list of repeat offenders. ORA respectfully disagrees with this recommendation and maintains that such a list would be both impractical and ineffectual to deter repeat offenders due to, among other reasons, the common practice in New York whereby separate ownership entities are created to take title to different properties.

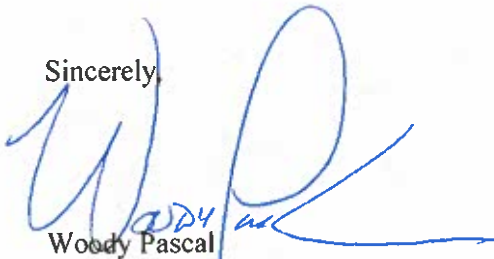
**Recommendation 6** – *Enhance protections for rent-controlled tenants outside New York City.*

**OSC Status Determination** – Not Implemented

**ORA Response** – As recognized by the Report, implementation of this recommendation is not within ORA’s control, as the protections for rent regulated tenants are set by statute. While ORA will continue to open cases where appropriate to investigate and resolve issues raised by rent-controlled tenants outside New York City, revision of the applicable laws to be on par with the protections afforded to all other rent regulated tenants is solely in the ambit of the State Legislature.

Please contact Sean Fitzgerald, Audit Coordinator, at (518) 894-5050 if you have any questions or require anything further.

Sincerely,



Woody Pascal  
Deputy Commissioner  
Office of Rent Administration