



ANDREW M. CUOMO  
Governor

## Homes and Community Renewal

RUTHANNE VISNAUSKAS  
Commissioner/CEO

July 9, 2018

The Honorable Andrew M. Cuomo  
Governor of the State of New York  
The Capitol, Executive Chamber  
Albany, New York 12224

Dear Governor Cuomo:

Pursuant to Section 170 of the Executive Law, I am submitting this response to the Office of the State Comptroller's Report 2017-S-12 Enforcement of Mitchell-Lama Surcharge Provisions.

Sincerely,

RuthAnne Visnauskas  
CEO/Commissioner

cc: Honorable Thomas P. DiNapoli, Comptroller, State of New York  
Honorable John J. Flanagan, NYS Temporary President and Majority Leader  
Honorable Andrea Stewart-Cousins, Senate Minority Leader  
Honorable Catherine Young, NYS Senate Chair, Finance Committee  
Honorable Liz Kreuger, NYS Ranking Minority Member of the Senate Finance Committee  
Honorable Carl E. Heastie, NYS Assembly Speaker  
Honorable Joseph D. Morelle, NYS Assembly Majority Leader  
Honorable Brian M. Kolb, NYS Assembly Minority Leader  
Honorable Helene F. Weinstein, NYS Assembly Chair, Ways and Means Committee

**Recommendation 1: “Provide training to development officials on the proper surcharge and income verification procedures.”**

DHCR agrees with this recommendation. We continue to provide on-site training and host workshops for our portfolio regarding the proper surcharge and income verification procedures.

**Recommendation 2: “Monitor building managers to ensure that follow-up verification audits are completed properly and timely and surcharges are correctly assessed.”**

DHCR agrees with this recommendation with regard to ensuring that follow-up audits are completed timely. As such, we are reexamining our income verification process and will instruct the housing companies that we will be prioritizing the most recent follow-up reports for verification audits.

**Recommendation 3: “Follow up on the occupant-related matters at the three developments we examined, as detailed in the report.”**

DHCR disagrees with this recommendation, OSC’s report highlighted immaterial issues at housing companies that do not warrant findings.

**Recommendation 4: “Develop formal policies and protocols regarding tenants whose incomes exceed the maximum allowable limit. Perform periodic reviews to ensure compliance with those policies and protocols.”**

DHCR agrees with this recommendation with regard to the establishment of protocols. DHCR staff has met internally and with our HPD counterparts to evaluate needs and identify potential criteria for such protocols.

**Recommendation 5: “Conduct the outstanding annual tenant income matches with Finance records for 2013-2015 promptly, and ensure future matches are conducted and communicated to the developments on a current basis.”**

DHCR agrees with this recommendation and is reexamining its income verification process. In addition, we will be instructing our housing companies that we will be prioritizing the most recent follow-up reports for verification audits.

**Recommendation 6: “Ensure the data file prepared for the Finance income match is accurate.”**

DHCR disagrees with this recommendation. While spot-checking may be appropriate, redoing the work of an outside contractor would be duplicative and self-defeating.