

New York State Division of Housing and Community Renewal

Hampton Plaza
38-40 State Street
Albany, NY 12207

Attached below is DHCR's response to OSC's Final Audit Letter Report 2009-F-22; *DHCR Tenant Selection Practices at Rochdale Village*. Of the six initial recommendations, three had been partially implemented. Below is DHCR's response to the three partially implemented recommendations and the corrective action taken by the agency.

Recommendation 4

Determine whether applicants who received apartments without DHCR's approval met eligibility criteria. If not, take appropriate remedial action.

Status - Partially Implemented

Agency Action - DHCR has initiated a review of the 50 tenants identified in our report as having received apartments without DHCR review. DHCR established criteria to determine whether occupants not approved by DHCR would be qualified to live in Rochdale. As of July 8, 2009, DHCR determined that 10 have met those criteria. Two other tenants had moved out; either DHCR or Rochdale was in the process of obtaining or reviewing documentation for the remaining 38 occupants.

Recommendation #4

The statement, "...DHCR or Rochdale was in the process of obtaining or reviewing documentation for the remaining 38 occupants", should clarify that Rochdale is in the process of obtaining and reviewing such information, while DHCR must await housing company submissions for review.

Recommendation 5

Investigate the suspicious circumstances under which tenants included in our report have obtained apartments in violation of the Regulations, and take appropriate remedial action.

Status - Partially Implemented

Agency Action - On a case-by-case basis, DHCR officials have investigated apartments obtained in violation of Regulations. As a result, some cases are currently pending in landlord/tenant court. The officials also reported that they will consider further action based on the results of an investigation that is being finalized by OSC's Investigation Unit.

Recommendation #5

Full implementation awaits results from OSC's Investigative Unit's report.

Recommendation 6

Monitor vacated apartments to ensure that they are rented expeditiously. Investigate apartments that are reported as vacant for extensive periods of time.

Status - Partially Implemented

Agency Action - DHCR has enhanced its monitoring of vacant units. As part of their site visits, DHCR personnel inspect apartments reported as vacant and reportedly assist in expediting the restoration of apartments. Nonetheless, the number of vacant apartment has increased since the prior audit report. As of May 31, 2009, Rochdale reported 82 vacant apartments (3 additional apartments were removed from the market due to substantial water damage). These 82 units had been vacant as of May 31, 2009, for periods ranging from 1 day to 11 months, including 64 apartments that had been vacant for more than 30 days. Rochdale and DHCR officials explained that the current economic downturn has strained applicants' ability to secure the equity to purchase apartments, resulting in delays in selling the units.

Recommendation #6

DHCR staff has inspected vacant apartments at least twice a year. Rochdale takes approximately 90 days to restore apartments with shorter periods where there is less restoration involved or an apartment is in a desirable location. It does appear that the economic downturn has had an impact on applicants' ability to pay, with vacancies being almost equal to the number of units sold per month. Additionally, many applicants have requested preferences for apartments (i.e., specific floors or building location) which are currently not available. This has also limited the number of new move-ins.