S2506C/A3006C

Education, Labor and Family Assistance (ELFA) Budget for the State's FY 22 | Subpart A Summary

Enacts the "Covid-19 Emergency Rental Assistance Program of 2021", the New York State's new rent relief program, which utilizes funding from federal stimulus packages from December and March. The New York State Office of Temporary and Disability Assistance (OTDA) will administer the program.

Program Eligibility

Tenants will be eligible for assistance, regardless of immigration status, and the program allows for self-attestation, per federal guidance. Tenants are eligible if they meet the following requirements:

o Qualified for unemployment or have experienced Covid-19 related financial hardship.
o Have a demonstrated risk of experiencing housing instability and homelessness.
o Have a household income at or below 80% of the area median income (AMI).

Prioritization

OTDA will prioritize certain applications they receive for the first 30 days of the portal being open, at which point the remaining applications will be processed on a rolling basis. Applications will be prioritized in the following order:

o Households below 50% of the AMI where a household member is in a priority group, which includes those currently unemployed and have been for 90 days, tenants of mobile homes with arrears, members of vulnerable populations including domestic violence survivors, households in communities disproportionately affected by Covid-19 as determined by OTDA, and households who reside in buildings with less than 20 units.
o Households below 50% of the AMI where no household member is in a priority group.
o Households below 80% of the AMI where a household member is in a priority group.
o Households below 80% of the AMI where no household member is in a priority group.

During these first 30 days, OTDA is to ensure that at least 35% of funds distributed are given to households outside of NYC. The bill also includes a provision specifying that tenants in federal or state funded subsidized housing where rent is limited by a set percentage of income are deprioritized, and only become eligible to the extend that funds are left over after other eligible populations receive assistance. The language is broad, and may apply to public housing, supportive housing and LIHTC housing, though advocates are seeking clarification.

Available Funds and Payments

- o Funds are available to cover rent and utility payments. However eligible households can receive utility relief if they have not received a corresponding benefit through the home energy assistance program.
- o For rental assistance, funding can go to cover arrears going back to March of 2020, and/or for 3 months of prospective rent going into the future. However, only rent burdened (30% of income going towards rent) households are eligible for prospective rent payments.

Accepting Funds:

- o Rental assistance funds go directly to a property owner. Utility funds go directly to a utility provider. There is no provision for tenants to apply for rental assistance funds directly in cases where a landlord is uncooperative.
- o The program directs OTDA to make 'reasonable efforts' to engage with landlords who aren't cooperating, but ultimately if a landlord doesn't cooperate after 180 days, the funds are reallocated.
- o If a landlord has not accepted funds a full year after it's first offered, the landlord shall be deemed to have waived the amount of rent covered and shall be prevented from initiating a judgment for nonpayment for that amount.
- o If a landlord accepts payments, they agree to certain provisions, including not charging late fees for arrears in question, to not raise rent so that it's higher than what was due at the time of application for one year after the first payment, and to not evict a tenant for an expired lease or holdover for one year after the first payment.

Reporting and Tracking Requirements:

OTDA is required to post on its website and update regularly:

- o The number of municipal recipients that choose to participate in the statewide program;
- o The number of eligible households that received assistance under this title, including the particular category of assistance which was provided;
- o The average amount of funding provided per eligible household receiving assistance; and
- o The number of households that applied for assistance.

As part of the portal, OTDA must also provide a public-facing tool to track applications available to applicants.