

Renters and landlords are hurting in New York, but the good news is that aid from Washington is now on its way. NY is likely to receive at least **\$2.5 billion** in emergency rental assistance. It is critical that this program is a success in terms of outreach, administration and spending. **Landlords, renters and other stakeholders should get ready for the upcoming application process by starting to collect the necessary paperwork in order to be fully prepared when an online portal is launched.**

It is also essential that rent relief is delivered swiftly; in an easy to access program; in an application available to tenants and landlords; and that targeted outreach is made to hardest hit communities inclusive of undocumented households and small landlords. **It is time for New York to recover and paying back rent is an important step in moving out of this crisis.**

NYHC has outlined important aspects of the program and highlighted key issues.

Federal COVID Rent Relief to Date

In March 2020, Congress passed [The Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), which provided assistance to households and states but did not specifically require funds to be used for rental assistance. New York State allocated **\$100 million** of its CARES Act funding to a narrowly targeted rental assistance program designed by the NYS Legislature. That program was administered by HCR and the application window closed on February 1, 2021. Renters partially aided through this program are likely to be eligible to apply for additional relief through the federal funds subsequently allocated to New York.

In December 2020, Congress passed [The Coronavirus Response and Relief Supplemental Appropriations Act](#), which included \$25 billion for emergency rental assistance, to be administered by the United States Department of the Treasury. This funding, which we have been advocating for

New York's High Need

Emergency rental assistance is greatly needed in New York state to prevent evictions and pay back rent accrued during the pandemic. Since the pandemic started last March:

- **7.4 million New Yorkers have lost employment income.**¹
- **1.1 million renter households are at risk of eviction and owed as much as \$2 billion in rent** at the end of January.²
- 745,000 New Yorkers were unemployed in December according to U.S. Bureau of Labor Statistics.

According to the U.S. Census weekly Household Pulse Survey:

- 1.1 million of the 1.2 million people (88%) that have slight or no confidence that they can pay next month's rent reported their income to be less than \$75,000 or less than 80% AMI
- 840,000 (65%) make less than 50% AMI

since the start of the pandemic will protect millions of Americans from eviction, allowing them to remain stably housed and prevent further spread of the virus. New York will receive **\$1.3 billion** aiding renters and landlords from Brooklyn to Buffalo. This brief will discuss the details of this round of funding.

Congress is currently negotiating another relief package, **The American Rescue Plan Act of 2021**. The House is expected to vote on February 24th on the bill, which currently includes ~\$20B in emergency rental assistance, ~\$5B in Section 8 vouchers, \$5B in utility assistance, \$5B for homelessness and almost \$10B for homeowners at risk of foreclosure. It is likely that \$1.2B in emergency rental assistance may be targeted to highest-need grantees in a manager’s amendment being considered. This could boost NY’s allocation and address allocation inequities impacting New York discussed below.

While any of these funding levels could change during the reconciliation process with the Senate, **it is likely that the next Covid relief bill will pass by mid-March and it will significantly expand resources to address emergency housing needs.**

NY’s \$1.3B Emergency Rental Assistance Funds

Allocated through a statutory distribution formula, New York State received \$1.3 billion in emergency rental assistance in the bill passed in December. [USAToday reported](#) on the inequities created by minimum state allocations and a population-based formula. Larger states with more renters received less funding per renter. For example, the analysis found that Wyoming received \$2,900 per renter and Vermont received \$2,600 per renter, while New York received \$378 per renter, the lowest rate of any U.S. state.

NYHC has been advocating to improve the distribution formula in the upcoming relief bill expected to pass in March.

Out of the initial \$1.3B, New York State received \$800 million and New York City received \$247 million with 23 other localities in the state receiving a total of \$234 million. According to recent NYU Furman Center [analysis](#), NYC has received 19% of the state allocation, houses 43% of renters but represents 75% of the funding need. Given NYC renters’ high needs, it will be important for them to access the State’s \$800 million.

While localities have received direct allocations, New York State’s goal is to create a single statewide portal. The State will track relief to residents of localities that

Grantees	Allocation
Albany County	\$9,061,753
Babylon town	\$6,233,088
Brookhaven town	\$14,260,131
Buffalo city	\$7,572,096
Dutchess County	\$8,726,935
Erie County	\$19,677,945
Hempstead town	\$22,749,745
Huntington town	\$5,947,211
Islip town	\$9,776,713
Monroe County	\$15,900,766
Nassau County	\$1,798,078
New York city	\$247,282,142
Niagara County	\$6,207,580
North Hempstead town	\$6,849,809
Oneida County	\$6,782,715
Onondaga County	\$13,659,932
Orange County	\$11,417,881
Oyster Bay town	\$8,850,712
Rochester city	\$6,101,214
Rockland County	\$9,663,377
Saratoga County	\$6,818,072
Suffolk County	\$7,580,994
Westchester County	\$22,754,372
Yonkers city	\$5,943,266
Payment to the state	\$800,652,298
New York Total allocation	\$1,282,268,821

have been granted suballocations to ensure that at least that amount of funding is distributed to their residents.

According to federal rules, the funds will remain available through Dec 31st, 2021 but beginning on September 30, 2021, the Treasury Secretary shall recapture unused funds and reallocate to eligible grantees who have obligated at least 65 percent of the amount originally allocated and who have demonstrated need. A 90-day spending deadline extension may be granted to awardees of redistributed funds. If NY is able to efficiently distribute this rental assistance, more funds could be available.

KEY ISSUES:

- NYC ALLOCATION: NY State must ensure distribution is going to places with the most need.
- TIMING: It is critical that federal funds are spent quickly and that the State spends enough funds by September to access funds recaptured from other states.

Administration

Governor Cuomo designated the Office of Temporary Disability Assistance (OTDA) to administer the new emergency rental assistance program. The last program, which was administered by HCR, was criticized for its inability to get aid to renters. The program was created by the legislature with narrow statutory eligibility conceived early in the pandemic with a relatively small amount of funds.

In the [Treasury Emergency Rental Assistance Program](#), administration will be far more complicated as it will serve a much larger number of households and it will allow renters and landlords to apply for assistance on behalf of the tenant. Direct payments can also be made to utility companies. Federal funds require prioritization of very low-income households and for arrears to be paid to applicants before any funds are released for prospective rent payments. **These factors, coupled the looming state eviction moratorium expiration date of May 1st and statutory spending deadlines, emphasize the complex needs for program administration and timing as priority issues.**

To aid ease of administration, the Department of the Treasury recently release [guidelines](#) citing the challenges presented by the COVID-19 pandemic and allows flexibility as to the particular form of documentation a grantee requires, including by permitting tenant attestation to demonstrate eligibility. This will ease access for many households, including undocumented households who may face barriers in providing a paper trail demonstrating eligibility. While the Cuomo Administration has indicated support for undocumented households to access aid and a recent federal court [case](#) decided undocumented households can apply for and receive emergency housing aid, there will likely remain many barriers for this population that is not typically eligible for federal programs. **We strongly encourage New York State's program to provide**

maximum flexibility regarding documentation policies and to permit tenant attestation to ensure equitable access for *all* state residents in need.

Gov. Cuomo's [budget proposes](#) centralizing all funding in New York state with the state government in and emergency rental assistance local government allocation fund, in the joint custody of the state comptroller and the commissioner of taxation and finance in a trust and agency fund. It is unclear however if all localities receiving a direct allocation will cooperate.

The legislature also has a plan for how to spend the funding. New York State Senate Housing Committee Chair Brian Kavanaugh introduced [legislation](#) to codify additional program parameters in state law for the Treasury emergency rental assistance funds coming to NY. If this proposal passes the Legislature, it will dictate additional program terms for OTDA to follow.

His proposal calls for one statewide application, provides that eligibility is not limited by immigration status, strengthens renters' protections, prioritizes vulnerable tenant populations, clarifies documentation and payment options and includes monthly reporting which would be helpful in monitoring spending and program administration. The legislation also seeks to allocate the funding to localities by the share of renters, requiring that allocated funding is not less than 90% of the share of renters and no more than 110% of the share of renters.

KEY ISSUES:

- **LOCALITIES:** It is unclear if there are any localities that do not want to opt in to the state program. If there are localities that do not opt in, how will that impact program roll out?
- **ACCESS:** Nonprofits experienced with small landlords and undocumented households could provide critical outreach and technical assistance in processing applications. Will NY State or localities use administrative funds to fund such outreach?
- **APPLICATION:** Getting this money out the door is an urgent priority and additional restrictions should be avoided where they add to the administrative burden for applicants or create a processing delay.
- **TIMING:** It is unclear if state legislation adding additional program rules will delay getting the program up and running.
- **TRACKING:** Monthly reports from OTDA will help track spending and progress.

Who's Eligible?

- Households with incomes at or below 80% area median income (AMI) are eligible to receive funds. Income can be determined as either the total income for 2020 or the monthly income at the time of application.

AND

- Households where individuals have qualified for unemployment, experienced a reduction in household income, or incurred significant costs or other financial hardship due to Covid, can demonstrate a risk of experiencing homelessness or housing instability.
- **Prioritization:** Grantees must prioritize eligible households that include an individual who has been unemployed for the 90 days prior to application for assistance and households with income at or below 50 percent of the area median.
 - **Grantees can further prioritize the funding.**

KEY ISSUES:

- **PRIORITIZATION:** While additional prioritization beyond Treasury Guidelines may help target resources, it should not be so narrow as to prevent all of the money from being spent quickly.

What's Covered?

- Eligible households may receive up to 12 months of assistance, plus an additional 3 months if the grantee determines the extra months are needed to ensure housing stability and grantee funds are available.
- Assistance can cover rent and rental arrears, utilities and home energy costs and arrears, and other housing expenses, which Treasury stated includes internet service.
- Covers eligible arrears incurred by renters since March 13, 2020.
- Payments must reduce arrears before paying for future rent costs.
- Payments will be made directly to the lessor or utility. Payments can be made to the eligible household for the purpose of making payments to the lessor or utility provider where the provider does not accept directly.
- 90% of funds must go towards direct assistance.
- No more than 10% can be used for administrative costs and other housing services

KEY ISSUES:

- **BULK APPLICATIONS:** A process should be established for landlords and utilities to be able to apply for multiple renters.
- **PAYMENT EXCEPTIONS:** What requirements will OTDA establish to facilitate payment to tenants where direct payment to landlords is not an option?

Application Process

- Tenants can apply for rental assistance or landlords can apply to receive the funds directly. Owners can apply on behalf of a renter as long as they obtain the signature of the tenant on the application, provides documentation of the

application to the tenant, and use any payments received to satisfy the tenant's rental obligations.

- Eligible households may receive up to 12 months of assistance, plus an additional 3 months if the grantee (NY State) determines the extra months are needed to ensure housing stability and funds are available.

KEY ISSUES:

- **COMPLEX SYSTEM REQUIREMENTS:** For renters that owe back rent and multiple utilities, direct payment to all parties will require a complex application and payment system.
- **MONITORING NEED:** OTDA should survey applicants for ongoing need for rental assistance to be prepared to pay prospective rent if funds are available; to better understand the impact of the program on improving housing instability and to identify at-risk households.

¹ U.S. Census Bureau Household Pulse Survey, Week 22.

<https://www.census.gov/data/tables/2021/demo/hhp/hhp22.html>

² STOUT Data: Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction (8/19/20 – 11/23/20) <https://www.ncsha.org/resource/stout-rental-and-eviction-live-data/>