



NEW YORK STATE SENATOR

Daphne Jordan

## READER'S VIEW: Mom-and-pop landlords still hurting from Albany's bureaucratic bungling on ERAP

SENATOR DAPHNE JORDAN | October 9, 2022

| ISSUE: **ERAP, SMALL LANDLORD SUPPORT, LANDLORDS**

<https://www.saratogian.com/2022/10/09/readers-view-mom-and-pop-landlords-still-hurting-from-albanys-bureaucratic-bungling-on-erap/>

Since my election to the New York State Senate, I've done my best to tell it straight, given credit where it's due, and, most importantly, hold Albany accountable for its misuse (and often outright waste) of taxpayer dollars and heavy-handed overreach into our lives and businesses.

Greater accountability and oversight were – and still are – absolutely needed for the Emergency Rental Assistance Program (ERAP), a multi-billion-dollar pandemic-era government boondoggle that was supposed to help but ended up hurting countless mom-and-pop landlords, causing them untold financial pain that many still have not fully recovered from.

### **ERAP: Posterchild for Albany incompetence and mismanagement**

Created in 2021, ERAP's stated mission was to "provide significant economic relief to help low and moderate-income households at risk of experiencing homelessness or housing

instability by providing rental arrears, temporary rental assistance and utility arrears assistance” due to the pandemic. When it was announced, concerns were raised – first by me – that ERAP was too tenant-focused and virtually ignored the needs of landlords.

In December of 2020, I spoke on the Senate Floor and warned that by ignoring the plight of mom-and-pop landlords and extending the misguided eviction moratorium, Albany was kicking the can down the road – and that landlords would never be made whole. My prediction came true!

### **Albany kicks the can – and leaves mom-and-pop landlords holding the bag**

Mom-and-pop landlords – the folks on Main Street whose rental property was intended as a source of retirement income – were treated as an afterthought and repeatedly told that they would, eventually, be “made whole.” ERAP was funded at \$2.7 BILLION, and Albany made promise after promise that the money would flow, quickly and efficiently, to distressed mom-and-pop landlords who filed a claim via ERAP. “Don’t worry, you’ll be made whole” was Albany’s refrain.

It didn’t happen. In many cases, it still hasn’t happened. Landlords still haven’t been made whole and, tragically, never will. Instead of helping, Albany’s bureaucratic bungling was hurting, leaving mom-and-pop landlords holding the bag, taking some to the brink of financial ruin. Instead of prioritizing mom-and-pop landlords as I called for, Albany inexplicably sat on the money – literally billions in federal funding, eventually supplemented by hundreds of millions in state monies – moving at tortoise speed while mom-and-pop landlords were barely hanging on.

Worse still, instead of the ERAP online application portal working properly, it malfunctioned time and again, forcing frustrated landlords to resubmit their claims and corresponding paperwork, wasting countless hours.

## **No rent payments ... for 17-20 months**

Numerous mom-and-pop landlords didn't receive rent payments during the pandemic. In fact, my office heard from multiple mom-and-pop landlords in my Senate District, and statewide, that they didn't receive a dime of rental income or ERAP funding, in some cases for 17-20 months! Imagine going without your paycheck for 17-20 months while still trying to meet your obligations (groceries, gas, utilities, mortgage, saving for retirement). It's virtually impossible.

## **Advocating for common sense fixes to ERAP**

In June of 2021, I wrote then Governor Andrew Cuomo and held a press conference with mom-and-pop landlords where we called for common-sense fixes for ERAP including expediting the release of funds and fixing the broken online application portal, among other important reforms.

I later highlighted findings from Real Estate Weekly that only 4 percent of the state's \$2.6 billion (later revised upward to \$2.7 billion) Federal rent relief funds ever reached tenants and landlords – and that only \$5.1 billion of the total \$46.5 billion for ERAP had been distributed by state and local governments nationwide.

Also, I cited a report from the Joint Center for Housing Studies at Harvard University that showed nearly 10 percent of landlords around the country collected less than half of their rent in 2020, and landlords who owned fewer than six units were the most affected. All of this was exactly what I warned about a year prior.

## **The sincerest form of flattery**

My advocacy must have been on-target as, less than two months after my press conference, State Comptroller Tom DiNapoli followed my lead and publicly called for changes to ERAP

on August 16, 2021.

Then, on October 7, 2021, largely in response to my efforts, Albany launched the Landlord Rental Assistance Program (LRAP) that would provide rental assistance for landlords whose tenants were unwilling to apply for ERAP, with Governor Hochul initially announcing \$125 million in landlord relief via LRAP. To date, LRAP had 25,846 applications paid, totaling \$262,190,147.

LRAP allows a landlord to apply for relief without the renter. If the renter still is in the unit, problematic to the landlord, the 12-month eviction ban is in effect unless there are four or fewer units owned by the landlord. ERAP has a 12-month eviction ban and a provision for no rental increase for a year from the time that ERAP is applied, further extending the eviction moratorium adding on more months of no payment.

Remember folks, ERAP only pays 12 months, and in some cases 15 months, but landlords have suffered no rent for a longer amount of time – and applying extends the time even longer!

It was reported that in 28 of the 29 nonpayment cases where ERAP was accepted by the owner, but the tenant was evicted anyway, the estimated amount of rent arrears still due at the time of eviction – even after the ERAP payment – was, on average, a whopping 300 percent greater than the arrears due when the eviction case was first commenced.

Fast forward to September 2022, and ERAP has essentially run out of funds. Well, what happened to the money – or is it that it wasn't enough money? All of it sure didn't go to mom-and-pop landlords, many of whom are still waiting to be made whole, that's for certain.

Later in 2021, the State Office of Temporary and Disability Assistance (charged with overseeing ERAP's malfunctioning portal) had a new Commissioner and charge of fixing the broken ERAP application portal. All of these changes happened because I pushed Albany to

make the fixes.

### **Never again an afterthought**

Mom-and-pop landlords must never again be an afterthought. Not by the State government. Not by the Federal government. Not by anyone! Albany must finally realize that mom-and-pop landlords are small businesses and deserve to have their needs met just as countless tenants in New York City did. State government must do everything necessary to ensure that mom-and-pop landlords facing financial hardships due to Albany's mismanaged response are finally made whole.

That is the least that Albany can do to help these small businesses who suffered incredible financial distress through no fault of their own.

### **Contact and Connect with Me**

I am PROUD to be your State Senator and will continue serving, representing, and working hard for you right up until my very last day in office on December 31, 2022. My staff and I will continue doing what we always do: delivering real results that make a real difference.

If I can help, call me at (518) 371-2751, e-mail me at [jordan@nysenate.gov](mailto:jordan@nysenate.gov), visit my Senate webpage [www.jordan.nysenate.gov](http://www.jordan.nysenate.gov), contact my district office at 1580 Columbia Turnpike Building 2, Suite 1, Castleton-On-The-Hudson, NY 12033, or connect with me on Facebook (Senator Daphne Jordan), Instagram (Senator\_Jordan), and Twitter (NY Senator Jordan).

*NYS Senator Daphne Jordan serves as the Ranking Republican Member on the Senate Racing, Gaming and Wagering Committee, the Senate Libraries Committee, the Senate State-Native American Relations Committee, and the Women's Issues Committee. Senator Jordan represents the 43rd Senate District that includes parts of Rensselaer, Saratoga, and Washington counties and all of Columbia County.*