

Fact Sheet: COVID-19 Emergency Rental Assistance Program (CERAP)

What is it?

The COVID-19 Emergency Rental Assistance Program (CERAP) was enacted in the SFY 2021-2022 Enacted Budget and will provide up to 12 months of rental and/or utility arrears assistance and up to three months of prospective rent assistance to eligible tenants affected by the pandemic. Rental assistance may be provided for arrears accrued from March 13, 2020.

\$2.35 billion in federal funds will be appropriated to support the core provisions of this program. The agreed-upon language also establishes a \$100 million state-funded hardship fund for tenants with incomes above 80% AMI; for eligible arrears for tenants that have already moved; and for tenants who may otherwise not be eligible for federal funds.

Who will be implementing and administering the funds from CERAP?

The Office of Temporary and Disability Services (OTDA).

When will the application portal be open? When will OTDA begin accepting applications?

OTDA is actively working on getting the portal up and running. Early estimates project that OTDA will begin accepting applications in May, but details are still forthcoming.

Who is eligible for the COVID-19 Emergency Rental Assistance Program?

A household, regardless of individuals' immigration status, is eligible for emergency rental and/or utility assistance if it:

- is a tenant or occupant obligated to pay rent in their primary residence in the state of New York,
- includes an individual who has qualified for unemployment or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due – directly or indirectly – to the COVID-19 outbreak;
- demonstrates a risk of experiencing homelessness or housing instability; and
- has a household income at or below 80% of the area median income, adjusted for household size.

Households whose incomes exceed 80% AMI; landlords whose tenants have vacated the unit, and/or landlords whose tenants refuse to apply for CERAP will be eligible to apply to a hardship fund, which provides \$100 million in state funds for hardship emergency relief.

Who can apply for CERAP?

A tenant may apply individually. A landlord may begin an application on behalf of the tenant, but may not submit the application without the tenant's consent. If the landlord initiates the application first, they would only be allowed to fill out the landlord's portion of the application. After the landlord fills out the landlord's

portion, a notification is transmitted to the tenant that the landlord has initiated an application for CERAP on the tenant's behalf. The tenant must then fill out the tenant's portion of the application. A landlord with an uncooperative tenant may also apply for relief from the \$100 million state hardship emergency relief fund.

Where can tenants apply?

Applications will be available online through OTDA's portal, via telephone and in-person through partnerships with non-profit organizations. Localities will coordinate with nonprofit organizations to help applicants fill out and submit applications.

Will the application be available in languages other than English?

The application will be available online in English, Spanish, Chinese, Russian, Korean, Yiddish, Haitian (French Creole), Bengali and other languages to the extent practicable

Can tenants on public assistance apply?

Tenants on public assistance can apply for assistance under this program.

Can tenants residing in public housing and Section 8 apply?

Tenants in public housing authorities or other federal, or state funded subsidized housing that limits the household's share of the rent to a set percentage of income, may be eligible to the extent funds are remaining after serving all other eligible populations.

What kind of assistance will be provided under CERAP?

CERAP can pay up to 12 months of rental arrears and up to 3 months of future rent for those who are rent burdened; CERAP may also cover up to 12 months of utility arrears, but most utility arrears will be paid for through HEAP.

How will the process of paying utility arrears work?

Most utility assistance will be paid through the Home Energy Assistance Program (HEAP) first. If an applicant does not qualify for HEAP, OTDA will ask the utility company to forgive the tenant's debt in exchange for a 100% tax credit. If the utility company does not want to forgive the debt and/or participate, utilities will be paid through CERAP. Documentation will be shared with utility companies upon the consent of the applicant.

If a tenant is approved for assistance, does the money go to the tenant or the landlord?

If a tenant is approved for rental assistance under CERAP, the money will go directly to the landlord and/or property owner. If the tenant is approved for utility assistance, payment will be made directly to the utility company.

What if a landlord refuses to accept the money from CERAP?

OTDA must make reasonable outreach attempts for the landlord to accept the payment through the program. If payment can't be made to the landlord after outreach, payment will be held in reserve for a period of 180 days to allow for OTDA to either try to make contact with the landlord or to get the landlord to participate. If after 180 days the landlord still refuses to accept funds, funds may be re-allocated to other eligible applicants and that tenant may be relocated and have their moving expenses paid for by OTDA.

Are there eviction protections for tenants under CERAP?

Yes. There are two eviction protection provisions in CERAP:

Tenants with Pending CERAP Applications Cannot Be Evicted

- Evictions for holdovers or non-payment of rent/utilities for households who apply for assistance through CERAP unless or until a determination of ineligibility is made. Essentially, tenants with pending applications under CERAP cannot be evicted. Evictions commenced against tenants after the tenant submits their application will be stayed pending determination of eligibility.

Landlords Who Accept Payment through CERAP Cannot Evict the Tenant for One Year

- Landlords who accept payment through CERAP must agree to: waive late fees due on arrears paid; not increase rent for a year; and not evict the tenant for a year unless it is a building with 4 or fewer units and the landlord intends to use that unit as their primary residence or rent the unit to family.

How can landlords with uncooperative tenants or tenants with arrears who vacated the premises apply to access the \$100 million in state hardship relief funds?

The details about this process are still being discussed at the agency level, and are forthcoming through regulations.

What recourse is available to the landlord if they have an uncooperative tenant who refuses to apply for assistance?

A landlord may evict a tenant who:

- Does not file a hardship declaration
- Filed a hardship declaration but is engaging in nuisance-like behavior that interferes with the safety, use, and enjoyment of other tenants or occupants
- Filed a hardship declaration after the eviction moratorium expires on August 31, 2021, except for rents that accrued during COVID if the tenant had a recognized hardship during COVID. The tenant will be liable for their rental arrears/rent owed and can be sued.

A landlord may apply to the \$100 million state hardship relief fund without their tenant's approval if the tenant is uncooperative. The details of this process are still being developed in regulation.

Can a tenant be forced to apply for assistance under CERAP?

NO A tenant cannot be forced to apply for CERAP.

What happened to the funds left over from the \$100 million CARES Act rental assistance program administered by Homes and Community Renewal (HCR)?

The law governing the administration and implementation of the program provided that HCR must use up to \$100 million for rental assistance from the CARES Act relief funds; approximately \$50 million was used for rental assistance. The remaining unspent funds have been used for other eligible purposes.