

Legal Alert: DHCR to Administer Statewide COVID Rent Relief Program

July 15, 2020

Governor Cuomo recently signed into law the COVID Rent Relief Program, which will provide eligible households with a one-time rental subsidy, sent directly to the household's landlord, and will provide up to four (4) months of rental assistance covering the *difference* between the household's rent burden on March 1, 2020 and the increase in rent burden for the months the household is applying for assistance.

This program will be administered through DHCR, and the application will be available to tenants tomorrow, July 16, 2020. Those applicants who qualify for the program will *not* need to repay this assistance. Accordingly, we are encouraging our clients to notify their tenants about the application process.

To be deemed eligible for the Program, a Tenant must meet *all* of the following eligibility criteria:

1. Applicants must have a primary residency in New York State.
2. Before March 1, 2020 and at the time of application, household income must have been below 80% of the area median income, adjusted for household size.
3. Before March 1, 2020 and at the time of application, the household must have been paying more than 30% of gross monthly income towards rent.
4. Applicants must have lost income during the period of April 1, 2020 to July 31, 2020.

Some important information about the Program to consider:

- If a tenant is receiving a Section 8 Housing Choice Voucher for their housing costs or resides in public housing and their rent is more than 30% of their income, the resident would not be eligible for the COVID Rent Relief Program.
- There is a cap on the subsidy amount a Tenant can receive. The Tenant's monthly contractual rent may not exceed 125% of the fair market rent per month for each month assistance is requested. Fair market rents are calculated by HUD, and can be located at the following link: <https://www.hcr.ny.gov/rent-caps-125-fmr-crrp>.
- A Tenant will be required to provide information and documents to verify their eligibility, including:
 - (1) Copy of lease or other proof of monthly rental amount;
 - (2) Household size and composition;
 - (3) Proof of household income prior to March 1, 2020 and current household income
- The rental subsidy covers the difference between a Tenant's "rent burden" on March 1, 2020 and a Tenant's "rent burden" for the months Tenant is applying for assistance (i.e., the percentage of a Tenant's gross household income that is spent on contractual rent.) The remaining balance of the Tenant's monthly rent will still be due and payable to the Landlord.
- If a Tenant has paid all or some of their rent during the period of April 1, 2020 and July 31, 2020, and are eligible for the COVID Rent Relief Program, they may still receive assistance. An

eligible Tenant may choose to have their Landlord either treat the assistance as pre-payment of rent for one or more months beginning August 1, 2020, or have the Landlord apply the assistance payment to a security deposit if it was used to pay rent during the assistance period. Tenants will be asked to specify how they want this assistance to be applied at the time they submit their application.

- Month-to-month tenants who do not have a current lease are still eligible, as long as they qualify. Those month-to-month tenants will need to provide proof of a rental obligation or complete the Tenant Rent Attestation available with the applications.
- Landlords are legally required to accept assistance from the COVID Rent Relief Program due to a 2019 law Governor Cuomo signed into legislation that prohibits landlords from discriminating against tenants based on what funds they use to pay their rent.
- Landlords cannot apply to the COVID Rent Relief Program for their tenants. An eligible tenant must apply on their household's behalf.
- DHCR anticipates sending payments to landlords by the end of the summer.

The application can be accessed starting Thursday, July 16, 2020 by clicking here: <https://hcr.ny.gov/RRP>