

ERAP Update

This year's New York State budget included what should be the last round of Emergency Rental Assistance Program (ERAP) funding. A total of \$391 million was included in the 2024 budget, an amount sufficient to satisfy all applications submitted prior to the portal closing on January 20, 2023.

Until now, no subsidized applicants - no matter how small the subsidy - were being processed or paid. But on May 15, the Office of Temporary and Disability Assistance (OTDA), the agency charged with ERAP processing, announced that all ERAP applications, finally, were being reviewed and processed.

This is an important funding update. Prior to this allocation, applicants who received a rental subsidy were not being processed. This is because in the initial ERAP authorizing legislation the Legislature created a priority system that gave the lowest funding priorities to those applicants who paid only a percentage of their income for rent and received the balance through rental subsidies

including Section 8 and FHEPS and those living in NYCHA housing.

Like with the non-subsidized applications, OTDA will be reviewing the applications in the order in which they were received. We believe there are up to 100,000 applications in this subsidized group, so it is unclear how long it will take the agency to process all the outstanding applications. We encourage all of you who are awaiting payment on any application to be vigilant in monitoring your landlord portal to make sure you are up-to-date on paperwork and any OTDA requests. This will help expedite your payments.

Remember, if you receive an ERAP payment you waive any late fees and penalties for the ERAP-covered period and may not raise the rent on the tenant for one year after the first ERAP payment is received and may not terminate the tenancy because the lease expired for this one-year period as well. You can, however, initiate non-payment proceedings against a tenant if they have not paid rent during months that are not covered by ERAP payments. ■

New York State Budget Recap

With the end of the legislative session looming, in fact likely over by the time this issue of the Reporter reaches you, it's instructive to review the state budget that was adopted a month past its April 1st deadline.

Remember that housing issues, which were a significant part of Governor Hochul's initial plan for the year, were not included in the state budget. Those proposals - from new building in the suburbs to office-to-residential conversions, and from new floor area to area of zoning lot allowances to tax incentives for development - were areas of enormous disagreement between the governor and legislative leaders and also between legislators themselves. As you know, reckless Good Cause Eviction was also not included in the budget for the same reason: too much disagreement everywhere.

And with a new Chairperson of the State Assembly Housing Committee — far left Manhattan Assemblywoman Linda Rosenthal, herself a longtime rent stabilized tenant — too much uncertainty about everything defined housing policy negotiations.

About Good Cause Eviction not being included in the budget, here's a very interesting anecdote that speaks to the importance of your participation in RSA and your constant reaching out for public officials: In our last issue of the Reporter, we discussed our steadfast and constant position against irresponsible Good Cause Eviction and the role your voice had in keeping this awful economy-wrecking policy out of the budget. A reporter for a prominent regional

newspaper quoted that article from our newsletter as evidence of the real estate community's strength and position in negotiations. Never assume your voice doesn't matter!

What did get done in the budget includes the Governor's promise to not increase income taxes, increased funding for mental health care, greater discretion for judges in setting bail, enhanced funding for women's healthcare and reproductive health, education and student aid, \$391 million in additional Emergency Rental Assistance Program (ERAP) funding for NYCHA and Section 8 tenants, stabilizing the Metropolitan Transportation Authority (MTA), investments to promote energy affordability and reduce greenhouse gas emissions and an increased minimum wage which will be adjusted to inflation after 2026.

Victories in the state budget were particularly important for Governor Hochul this year after the rejection of her first state Court of Appeals Chief Judge nominee by the State Senate. While some political observers have made note that a late budget is not a good habit to get into, only time will tell to what extent this affects policy moving forward.

Whether housing issues are considered in the state budget or outside as stand alone legislation, RSA will always be a forceful voice for your priorities and the needs of the wider residential real estate economy. ■