

LEGISLATIVE DIGEST

[Administrative Code - COVID-19 Rent Resolution and Relief Fund]

Ordinance amending the Administrative Code to modify the rules for the COVID-19 Rent Resolution Fund to 1) permit a landlord to obtain grant funds from the Fund to cover the rent for any month where the tenant could not pay due to COVID-19; 2) delete the monthly limits on the grant amounts a landlord may obtain from the Fund; 3) delete the rule that a landlord may not receive grant funds without releasing the tenant from the obligation to pay any remaining rent due; 4) provide that grant funds may be awarded only if the tenant's gross household income does not exceed 80% of area median income; 5) require the Mayor's Office of Housing and Community Development to prioritize grants made on behalf of tenants facing eviction, while removing the priority for small landlords; and 6) permit grants directly to tenants, in addition to landlords.

Existing Law

MOHCD is authorized to award grants from the COVID-19 Rent Resolution and Relief Fund ("the Fund") to provide financial support to residential landlords who have agreed to waive back rent owed by tenants who could not pay their rent during the COVID-19 emergency or up to 60 days thereafter. If a landlord waives a tenant's rent, the landlord can apply for a grant from the Fund equal to 50% of the amount waived, up to \$3,000 per unit per month. Small landlords – defined as those with 10 or fewer units in the City – can seek grants for up to 65% of the amount waived, without regard to the \$3,000 cap. The ordinance also states that MOHCD should prioritize small landlords facing hardship, if claims exceed available funds.

Amendments to Current Law

Instead of requiring that grants can only cover rent that came due within 60 days after the end of the COVID-19 state of emergency, the ordinance would allow a landlord to obtain a grant to cover any month's rent, so long as the tenant was unable to pay that month's rent due to the financial impacts of COVID-19. The grant could cover the entire rent; the landlord would not be limited to a percentage of the rent owed, and a landlord who had received a grant covering only part of the rent would not need to waive their claims against the tenant for the remaining rent due as a condition of receiving the grant. The ordinance would limit eligibility to rent owed by tenants whose gross household income is equal to or less than 80% of area median income. The ordinance also would direct MOHCD to prioritize grants to tenants facing eviction for non-payment of rent, and would remove the priority for small landlords facing hardship. The ordinance would also allow MOHCD to make grants to tenants directly.

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