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Environment and Transportation
Committee

Chair

Land Use and Ethics Subcommittee

Joint Committee on Administrative,
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Joint Committee on Ending
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Joint Committee on Pensions



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 231
HOME Act - Housing Opportunities Made Equal
February 4, 2020 * Environment and Transportation Committee

Every Marylander deserves a home - a place to grow old, a place to raise children, a place to feel safe. Unfortunately, not every Marylander has the resources to afford his or her own home, and so the government may step in and provide income for rental housing. If landlords refuse to accept that form of legal income, however, that Marylander is no better off than s/he would be without the income in the first place. This bill seeks to ensure that no Marylander is denied a home based on the type of income they use to pay for that home.

What this bill does

The House Opportunities Made Equal (HOME) Act prohibits landlords from discriminating against a person seeking rental housing based on their lawful source of income, such as a Housing Choice Voucher, or other rental assistance programs, or grants, gifts, inheritance, pension, annuity, alimony, or child support.

Similar source of income protection laws are in place in cities and counties across the state, including Howard, Montgomery, Frederick, Prince Georges, Baltimore, and Anne Arundel counties as well as the Cities of Baltimore, Frederick and Annapolis. Additionally, fifteen states also provide protections prohibit discrimination against a person's source of income.

What this bill does not do

This bill does not seek to limit a landlord's discretion in who s/he chooses to rent to - it only seeks to ensure that landlords accept various forms of legal income, including government-provided housing payments.

- The bill does not prohibit a landlord from determining the renter's ability to comply with lease terms or pay the rent. A landlord can still verify a renter's amount of income; evaluate the stability and security of the renter's income; or evaluate the renter's tenant history and suitability.
- The bill does not prevent a landlord from refusing income derived from criminal activity.
- This bill only applies to landlords that, within the preceding twelve months, have participated as a principal in three or more transactions involving the sale or rental of any dwelling; as an agent

in two or more transactions; or, is an owner of any dwelling intended for occupancy by five or more families.

Why this bill matters

A safe and steady home is central to the success of an individual. Economic mobility has stagnated in this state and country - and so it is more urgent than ever that we act to decrease barriers to success and open up higher opportunity and lower poverty neighborhoods to families escaping or avoiding homelessness - including our veterans, families, and people with disabilities.

Although programs through the federal government allot funding for vouchers for a variety of individuals - including veterans, families, and people with disabilities - it can be difficult or impossible to find a landlord that will accept such payment in areas without SOI protection laws.

Regions with SOI protection laws have higher economic integration and allow lower-income individuals to move into neighborhoods with lower-concentrations of poverty, better access to transit and higher quality schools.¹² The HOME Act will help to deconcentrate poverty in Maryland by creating more opportunities for tenants using public subsidies to live in neighborhoods that they choose.

Landlords who oppose this bill often site that they do not want to be required to comply with the regulatory bureaucratic such as the paperwork and housing inspections. The required paperwork takes very little time, and the voucher program makes tenants “recession-proof” -- regardless of whether they lose their job due to a recession, they will still retain their voucher. In addition, housing authorities now do direct deposit, ensuring that landlords are paid on the same day every month without any need for a check. Source of income laws have proven to make a positive difference, and housing authorities and landlords alike testify that any regulatory burden is outweighed by the positives of the program.

Why should you vote for this bill

If one goal of government is to help ensure that the barriers that prevent our constituents from maximizing their potential are removed, then we must ensure that every Marylander has a home they can afford. Passing this legislation will create more opportunities for lower-income Marylanders to live in the neighborhoods they want to live in. It will help fulfill the promise of the 1968 Fair Housing Act. As Matthew Desmond wrote in his book *Evicted: Profit and Poverty in the American City*, “It is hard to argue that housing is not a fundamental human need. Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart.”

¹ Mullin Lonergan & Associates, Inc., [Analysis of Impediments to Fair Housing Choice \(Interim Draft #2\) Baltimore County](#), Sept. 2010 at 17.

² Jens Ludwig, Ph.D, et al., “Neighborhoods, Obesity, and Diabetes – A Randomized Social Experiment”, *The New England Journal of Medicine* (Oct. 20, 2011).

Housing Opportunities Made Equal (HOME) Act *HB 231 (Lierman); SB 530 (Smith)*

WHAT DOES THIS LEGISLATION DO?

The HOME Act prohibits landlords and other property owners from discriminating against persons seeking housing based on their “source of income.”

This legislation will:

- Ensure fairness for seniors, working families, veterans, and people with disabilities seeking housing;
- Help create more mixed-income communities and greater affordable housing;
- Deconcentrate poverty by opening up housing opportunities in other neighborhoods; and
- Ensure better housing and economic opportunities for tens of thousands of Marylanders.

“Source of income” (SOI) means any lawful source of funds used in the rental or purchase of housing. It includes money from: (1) any lawful employment; (2) any government or private assistance, grant, loan, or rental assistance program; (3) any gift, inheritance, pension, annuity, alimony, or child support; and (4) any sale of property.

WHAT DOES THIS LEGISLATION NOT DO?

- The bill does not prohibit a landlord from determining the renter’s ability to comply with lease terms or pay the rent by: verifying the renter’s source and amount of income; evaluating the stability and security of the renter’s income; or evaluating the renter’s tenant history and suitability.
- The bill does not prevent a landlord from refusing income derived from criminal activity.
- The bill does not slow down or prevent housing and economic development, as evidenced by other jurisdictions that have passed similar legislation.

This bill does not apply to landlords that within the last year had less than three rental transactions, excluding their own home, or live in a building that they own that is intended to occupy less than five families.

Who would benefit from the passage of this legislation?

Source of income discrimination disproportionately affects vulnerable populations: senior citizens, people with disabilities, single mothers, veterans, and lower wage workers.

In Maryland, tens of thousands of families use housing choice (section 8) vouchers (and tens of thousands more are on waiting lists). They include:

- 60% of voucher households rely on SSI, social security or pensions
- 59% of voucher households include wage or income earners
- 39% of people who benefit from vouchers are children
- 42% of voucher households are single mothers with children

Do source of income anti-discrimination laws exist in other places?

- Yes. Howard, Montgomery, Frederick, Prince George, Baltimore, Anne Arundel Counties in MD, as well as the Cities of Baltimore, Frederick, and Annapolis have laws prohibiting source of income discrimination.
- Across the country, over 16 states, including UK, OK, CA, CT, DE, ME, MA, MN, ND, NJ, NY, OR, VT, WA, WI, and the District of Columbia have similar laws.
- Over 91 cities and counties also have such laws including New York City, Chicago, Philadelphia, Boston, and Seattle. Many have had source of income laws for over 20 years.

National Support for Prohibitions Against Source of Income Discrimination

- “A family’s source of income should never be used as a basis to discriminate against them.” – former US Department of Housing and Urban Development Secretary Shaun Donovan.
- In August 2017, the American Bar Association adopted a Resolution to urge state and local governments to prohibit source of income discrimination. <https://bit.ly/2ZA9TJh>

The HOME Act Coalition has over 60 members including:

Veterans & Law Enforcement Agencies
Housing Developers/ Providers
Labor Organizations
Faith Leaders
Community Advocates
Civil Rights and Housing Advocates