

Maryland Legal Aid

Human Rights and Justice for All

STATEWIDE ADVOCACY SUPPORT UNIT

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> www.mdlab.org 01.2021





February 26, 2021

The Honorable Kumar P. Barve Chairman, Environment and Transportation Committee House Office Building, Annapolis, Maryland 21401

Re: Maryland Legal Aid's Testimony in Support for House Bill 1283—Real Property – Residential Leases – Rent Restrictions

Dear Mr. Chairman and Members of the Committee:

Thank you for the opportunity to provide testimony in support of House Bill 1283. This bill is important legislation that would provide better protections for tenants, provide transparency when landlords charge for utilities, increase the security deposit statute's clarity, protect tenants' rights to organize, and provide further protections for victims of domestic violence victims.

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining employment, child custody, housing, and a driver's license. MLA supports HB 1283 and asks that this committee give it a favorable report. This letter serves as notice that Gregory Countess will be testifying on behalf of MLA at Delegate Melissa Wells' request.

One of the bedrock principals of the right to housing is affordability. In an assessment of client needs, affordable housing was identified as the number one concern. As the Maryland General Assembly is well aware, Maryland is in the midst of a housing affordability crisis. The continuing COVID-19 pandemic has revealed the lack of affordable and available housing. The severity of the current crisis increases with gentrification in particular urban settings. In particular, gentrification is spreading to suburban areas around Washington D.C. In these areas, older homes, which typically constitute a substantial portion of the affordable rental housing stock, are being lost as an option for Maryland renters, as rents rise faster than tenant incomes. One method to control loss of this stock is placing restrictions on rent amounts. Thus, HB 1283 addresses the challenge by linking rents to income.

Disproportionately rising rents is also increasingly a challenge for middle class renters.¹ Though the article cited expressed concern about the efficacy of "rent restrictions" as a measure directed at lower income and working class renters, HB 1283 seeks to address the distressing fact that 1 out of 2 renters or 335,000 renters in Maryland pay more than 30% of their income for rent. Of that number, 167,500 renters dedicate over 50% of their income in rent. This is not a sustainable situation. It will take years, even with proper supports, to build enough affordable units to relieve this immense burden on Maryland's renters. HB 1283 takes a focused approach, and provides modest relief to slow down the increasing crisis.² In fact, this bill meets one of the recommendations in the study; that there should be an increase in income restricted rental units.³

As this committee may be aware, stable housing, which by definition is affordable housing, reduces overall costs to Maryland, in terms of increase state expenditures for schools and health care. More importantly, MLA's clients have to make impossible choices – to pay rent, or pay for food, or health care, or clothes, or internet service in an increasingly wired world. If payment of rent is delayed, MLA's clients face mounting cost associated with that decision. Further, under Maryland law, tenants face the possibility of foreclosure of their right to redeem their rental home in an eviction action, and thus homelessness.

HB 1283 seeks to mitigate the harm caused when clients face these unfathomable choices. Thank you for providing MLA the opportunity to comment on this important piece of legislation. MLA strongly supports HB 1283 and asks that this committee give it a favorable report.

Respectfully,

/s/ Gregory Countess
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 $^{^{1} \, \}underline{\text{https://www.washingtonpost.com/realestate/the-conundrum-affordable-housing-poses-for-the-nation/2020/01/01/a5b360da-1b5f-11ea-8d58-5ac3600967a1 \, \, \underline{\text{story.html}}}$

² https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf

³ See p. 39 supra though the study does not call for rent stabilization