

Community Association

118 N. SCHROEDER ST. - BALTIMORE MD 21223

HB 1050 - Access to Counsel in Evictions – Funding

Hearing before the Appropriations Committee on March 7, 2023

Position: SUPPORT (FAV)

The members of Poppleton Now Community Association stand and work in community as homeowners, renters and small business owners. Our mission is to create a stronger, healthier and more vibrant Poppleton community which reflects the needs and desires of families and residents. As we seek to grow and reach our optimal potential, we seek to do so under the leadership and guidance of community residents and leadership, ensuring development without displacement, rooted in community led revitalization.

We seek a favorable report on HB 1050, which would extend beyond FY 24 the annual transfer of \$14 million from the Abandoned Property Fund to the Access to Counsel in Evictions (ACE) Fund.

Over the last 10 years, the gap between Black families and White home ownership has continued to widen. There are many factors which inform this statistic, one being the difficult path to financially readiness. Establishing and enforcing sound and just housing and rental laws is a powerful tool. This provides opportunities for families to establish a solid rental history, a key component in proving viability for home ownership. Many of the current laws are skewed in favor of property owners, making it exceptionally difficult for black and brown families to advance their circumstances and improve the outlook for their families. Taking steps to create more equitable legislation can be immutably valuable and change the trajectory of a number of families in Maryland.

Maryland is a leader in the Right to Counsel movement – becoming only the second state in the nation to recognize the proven, cost-effective benefits of a right to counsel in evictions. As detailed further in the testimony of the National Coalition for a Civil Right to Counsel: Right to counsel in evictions is a proven, cost-effective model around the country of preventing disruptive displacement in eviction cases. While Maryland's initial implementation of the law only started about 8 months ago and

still has a long way to go to reach full implementation, the <u>ACE Task Force report</u> notes that families have begun obtaining representation and fighting back against eviction.

Attorneys working in ACE have helped families avoid disruptive displacement including by avoiding eviction, delaying eviction so the tenant has additional time to move, avoiding a loss of a housing subsidy, enforcing a tenant's rights under a lease and more. In many jurisdictions, services are now available both through pre-trial intake with individual providers and through day-of-court intake.

Access to Counsel in Evictions furthers racial equity. Study after study in Maryland and nationally show that persons of color are much more likely to have to face an eviction case. 82% of families behind on the rent in Maryland and facing evictions are headed by persons of color. Ensuring that each of those families is represented by legal counsel helps empower those persons to enforce existing legal protections that safeguard due process, prohibit illegal fees, and address unsafe housing conditions.

A secure baseline of \$14 million/year to fund ACE through HB 1050 is important to address implementation challenges with ACE. In a tight labor market, legal services organizations have struggled to recruit and retain highly skilled attorneys for ACE implementation. The stable baseline of funding for implementation in HB 1050 would provide assurances to organizations and attorneys who are considering this field that there would be some stability of funding moving forward. We understand that \$14 million is not adequate to realize full implementation of ACE. It is estimated that full implementation will cost at least \$30 million, but HB 1050 is a critical starting point.

ACE is not a silver bullet to address all housing stability needs. Increasing the supply of affordable housing, emergency rental assistance, and other economic supports are important as well. But in 2021 the state recognized that right to counsel in evictions is a proven, cost-effective tool to enforce the laws already on the books. Secure, stable funding for implementation is critical to the initiative's success.

We urge the Committee's report of Favorable on HB 1050.

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