



February 17, 2021

Senate Bill 640

Emergency Community Services Fund

Budget & Tax Committee

Position: Favorable

Thank you for the opportunity to provide testimony in support of Senate Bill 640, **legislation that would support the State's ability to quickly provide crucial community services to Marylanders during a state of emergency or periods of increased unemployment.** Arundel Community Development Services, Inc., (ACDS) serves as Anne Arundel County's nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. In fulfilling this role, ACDS administers grants to nonprofit partners, directly develops and implements programming, and advises the County on housing and community development policy initiatives.

As the COVID-19 crisis forced the closing of businesses and so many households saw a huge drop in incomes due to the loss of jobs and childcare and other factors, ACDS stood up the State's first Emergency Rental Assistance (ERA) Program, getting payments to landlords as quickly as possible and keeping low-income families¹ affected by the COVID-19 crisis in their homes. **The ACDS ERA Program and similar ERA programs set up all over the State in response to the COVID-19 crisis have provided crucial financial assistance to renters, keeping rooves over the heads of 1000s of Marylanders who, without that assistance, quite definitely would have been evicted from their homes in the middle of a pandemic.**

There had been some form emergency assistance program for renters facing eviction in some jurisdictions throughout the State prior to the COVID-19 crisis. However, those programs were nowhere near the scale of the current ERA Programs available for Marylanders now. **Government agencies and non-profits administering ERA Programs had to develop comprehensive ERA Programs on the fly when the first CARES Act federal funds began flowing into the State** last spring, and they have been honing and modifying those programs to improve efficiency and effectiveness since that time. **With the influx of more than \$400,000,000 in new federal rental assistance funds already appropriated for the State of Maryland this year through the Consolidated Appropriations Act and the possibility of more, ERA Programs have developed their ERA infrastructure even further to expand**

¹ Financial eligibility for ERA Programs is typically set at or below 80% Adjusted Median Income.

their ability to quickly provide rental assistance to those in need during the current emergency.

Over the past year, the vast majority of the funding for ERA Programs has been federal funding tied directly to the COVID-19 crisis. Thankfully, the COVID-19 crisis will not last forever. This bill would address future States of Emergency, ensuring State funds funding for other crucial resources – rent, utilities and food **The comprehensive infrastructure already set up for ERA Programs during the COVID-19 crisis can be implemented during future emergencies, as well.**

Eviction is a traumatizing, life-altering event in any instance, but eviction during an emergency – any emergency, not just the COVID-19 emergency - is devastating. If a family is unable to remove their personal belongings from their home before the eviction takes place, in addition to losing their home, they likely will lose everything in the house, as well – furniture, clothing, household items and personal belongings are literally put out of the house and are deemed abandoned at the time of eviction.

Options for alternative housing after an eviction are reduced, if not eliminated, after an eviction due to an evicted family’s court record of an eviction and, of course, if the family has been evicted because they cannot pay rent, they would not be in a position to rent a new property anyway. Jobs are interrupted, school is interrupted if children are among the evicted, and supports for the household members that are located near the home are lost. **If there were a funded ERA Program that could quickly kick in to provide rental assistance in the event of an emergency, this devastation could be avoided.**

It should also be noted that landlords are also negatively affected when renters cannot pay their rent. **ERA Programs generally make ERA payments directly to landlords, thus minimizing the negative effects of an emergency not only for tenants, but also for landlords.** Landlords can then pay their mortgages, etc. Accordingly, funding ERAs during an emergency has a broad, positive impact on the overall economy and can be a key element for maintaining financial stability for more than just renters during emergencies.

For the reasons noted above, we urge a **FAVORABLE** report on SB 640.

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