

# **Testimony in Support of House Bill 52:**

Alterations in Actions for Repossession and Establishment of Eviction Diversion Program

Hearing of the Judiciary Committee, February 17, 2021 Maryland General Assembly Del. Luke Clippinger, Chair

Mr. Chairman and Members of the Judiciary Committee:

My name is Robyn Trusty, and I am a third-year law student at the University of Baltimore School of Law, where I am enrolled in the Civil Advocacy Clinic. It is through my work with the Clinic that I support HB 52, the Alterations in Actions for Repossession and Establishment of Eviction Diversion Program. The Clinic provides pro bono representation to low-income clients in an array of matters, including Failure to Pay Rent ("FTPR") and other housing cases.

# HB 52 Would Help "Level the Playing Field" by Promoting Fairness for Low-Income Renters in Maryland

- Maryland processes over 600,000 eviction cases annually.
- Maryland rent courts routinely limit tenants' opportunities for a fair hearing by prioritizing efficiencies to handle their massive FTPR dockets, which results in diminished tenant rights, according to a 2015 Public Justice Center report.<sup>1</sup>
- Maryland's current rapid "summary" eviction process, which does not require notice prior to bringing FTPR actions or provide alternative dispute resolution options, exacerbates Maryland's rental housing crisis by making it easier for landlords to evict.
- HB 52 would address Baltimore's rental housing crisis by providing alternatives to eviction, thereby keeping renters in stable housing and improving landlords' ability to collect rent.

### Other Jurisdictions Have Implemented Eviction Diversion Programs with Positive Results

- An "eviction diversion" program generally provides tenants with information about rent court processes, opportunities for mediation and settlement, pro bono legal assistance, and financial rental assistance in a one-stop setting.<sup>2</sup> HB 52 shares these core elements.
- Numerous jurisdictions have adopted eviction diversion programs; at least four of which have been subject to empirical study: (1) Richmond, Virginia; (2) Ramsey and Hennepin Counties in Minnesota; (3) Lansing, Michigan; and (4) Philadelphia, Pennsylvania.
- While the eviction diversion programs differ slightly in their details, all jurisdictions report positive outcomes for both tenants and landlords.

### Richmond, Virginia:

Richmond had the second highest eviction rate in the nation, according to 2016 data, at 11.4%<sup>3</sup>. In 2019,
Virginia's legislature enacted an eviction diversion program in Richmond to address its eviction crisis.<sup>4</sup> A non-profit housing counseling agency administers this program, which operates in the district courts of

<sup>&</sup>lt;sup>1</sup> Public Justice Center, *Justice Diverted: How Renters are Processed in Baltimore City Rent Court* (Dec. 2015), http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE\_DIVERTED\_PJC\_DEC15.pdf

<sup>&</sup>lt;sup>2</sup> Eviction Diversion Programs, <a href="https://www.ncsc.org/information-and-resources/trending-topics/trending-topics-landing-pg/eviction-diversion-programs">https://www.ncsc.org/information-and-resources/trending-topics/trending-topics-landing-pg/eviction-diversion-programs</a>

<sup>&</sup>lt;sup>3</sup> Eviction Lab, https://evictionlab.org/map/#/2016?geography=counties&bounds=-81.056,35.593,-73.327.38.954&type=er&locations=51760,-77.474.37.529

<sup>&</sup>lt;sup>4</sup> Va. Code Ann. §55.1-1260 (2019).

- certain cities. HB 52 would similarly establish an eviction diversion program in the district courts of Baltimore City and Baltimore County.
- *Preliminary results of Richmond's Eviction Diversion Program are favorable*. A study of the program found that within the first 90 days, the program had already achieved 22% of its annual goal to divert 300 evictions and 37.3% of its annual goal to educate 300 tenants on financial literacy<sup>5</sup>. These results are notable considering that they were achieved in a short timeframe.

### Lansing, Michigan:

- In 2017, Lansing, Michigan instituted a four-month pilot eviction diversion program which was implemented in one of its courtrooms. A district court judge initiated this program with assistance from the local legal services community and its department of health and human services.
- The rates of formal evictions saw a sharp decrease under the Eviction Diversion Program. A study of the program found that the eviction rate decreased by 12.59%. The dismissal and default rates decreased by 5.50% and 11.48%, respectively. Tenants used legal services at a 42.71% rate, and 32.08% of cases were settled.<sup>6</sup>

### Ramsey and Hennepin County, Minnesota:

- In 2017, a collaboration of non-profit and government stakeholders created an eviction diversion program to improve housing court outcomes, improve coordination among legal and social service providers, and to expand access to mediation and legal services.
- This model has been proven to be effective. An evaluation of this program found that between July 2018 and April 2020, eviction judgments were down 18%, trials were down by 30%, settlement agreements increased, and the proportion of evictions filed resulting in judgments dropped.<sup>7</sup>

# Philadelphia, Pennsylvania:

- In 2020, Philadelphia's City Council created an eviction diversion program in response to the COVID-19 pandemic.
- *The program has shown early success*. Results show that eviction was diverted in almost 100 of the nearly 300 cases that went through the program between September 2020 and November 2020, and that tenants and landlords who went through the program reached an agreement in 86% of the cases<sup>8</sup>.

#### **Conclusion:**

Maryland should adopt HB 52 to protect and promote housing stability through an eviction diversion program that focuses on dispute resolution instead of "rapid" adjudication of FTPR eviction cases. Evidence from other jurisdictions show that eviction diversion programs are successful in reducing eviction rates. For these reasons, the Civil Advocacy Clinic enthusiastically supports HB 52.

**Contacts:** Robyn A. Trusty, Third-Year Law Student and Rule 19 Student Attorney

Michele Gilman, Venable Professor of Law and Supervising Attorney

University of Baltimore School of Law Clinical Law Offices

1420 N. Charles Street, Baltimore, MD 21201

302-983-1377; robyn.trusty@ubalt.edu; mgilman@ubalt.edu

<sup>&</sup>lt;sup>5</sup> 2019 Annual Report: Housing Opportunities Made Equal of Virginia, <a href="https://homeofva.org/wp-content/uploads/2020/03/2019">https://homeofva.org/wp-content/uploads/2020/03/2019</a> Annual Report web.pdf

<sup>&</sup>lt;sup>6</sup> Gamber, Nick, et al., *An Analysis of the Eviction Diversion Program at the 54-A District Court*, https://www.lansingmi.gov/DocumentCenter/View/5528/2017-Eviction-Diversion-Pilot-Program-Final-Report

<sup>&</sup>lt;sup>7</sup> Urban Institute, *Crisis Coordination and Eviction Prevention: Lessons from the Housing Court Clinic in Ramsey County, Minnesota* (April 2020), <a href="https://www.urban.org/sites/default/files/publication/101993/crisis-coordination-and-eviction-prevention">https://www.urban.org/sites/default/files/publication/101993/crisis-coordination-and-eviction-prevention</a> 0.pdf.

<sup>&</sup>lt;sup>8</sup> Philadelphia's eviction diversion program offers alternative to court - WHYY (Feb. 2021) https://whyy.org/articles/its-a-conversation-phillys-alternative-to-landlord-tenant-court-is-preventing-eviction/