

Renters Deserve a Fair Chance to Access Available Rental Assistance

Position Statement Supporting House Bill 674

Given before the House Environment and Transportation Committee

Maryland has unprecedented funding to prevent evictions. Every dollar of our estimated rent debt of \$392 million can be paid by local emergency rental assistance programs that have scaled up over the past year and still have \$467 million in funding.^{i ii} Yet, in the second half of 2021, there were nearly 27,000 eviction cases filed for non-payment of rent per month. In that time, 705 households were evicted per month. **The Maryland Center on Economic Policy supports House Bill 674 because it would help people access needed rental assistance.**

The spread of COVID-19 has resulted in substantial loss of income for many Marylanders, leaving them unable to afford their rent. Preserving housing stability is critical to set up families and communities for a strong economic recovery. Maryland families were already facing housing instability long before the pandemic. In Maryland, in average of 660,000 evictions are filed annually.

In Maryland:

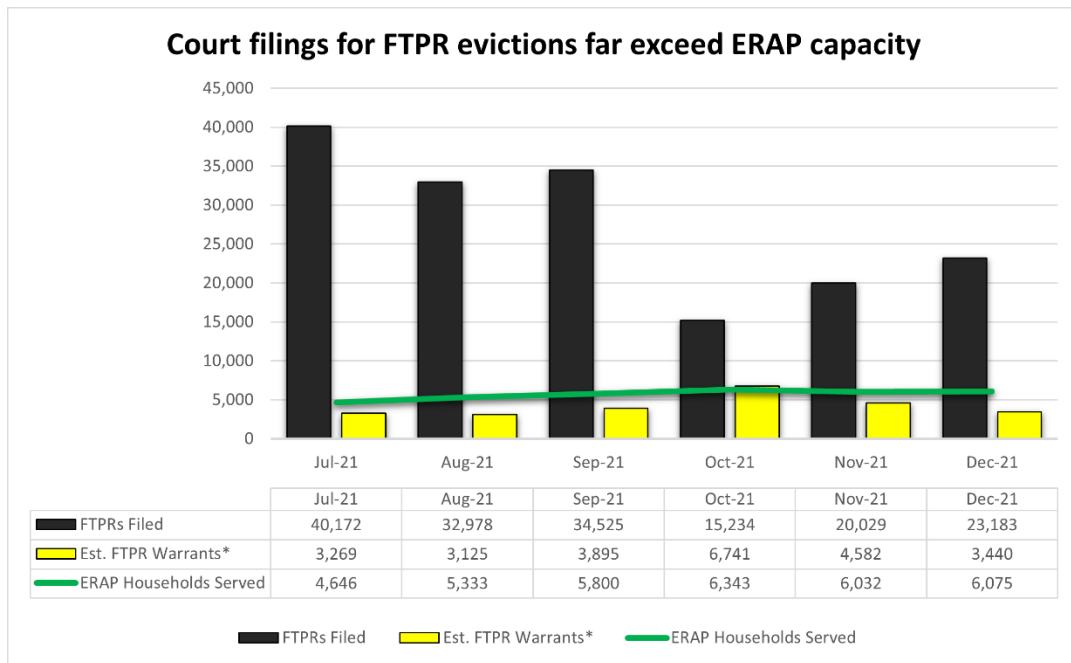
- 115,000 eviction cases were filed from July to November of last year
- Over 2,500 Marylanders were evicted amid the surging public health crises from July to November of last year
- An estimated 105,000 Marylanders are currently behind on their rent
- 62% of Maryland renters feel “very” or “somewhat” likely to be evicted in the next 2 months

HB 674 ensures that those facing the threat of eviction have the opportunity to access available emergency rental assistance and remain in their homes. The bill includes the following measures:

- **Providing the court authority to temporarily pause the eviction process.** Right now, there is no statutory authority for judges to pause the eviction process related to rent assistance. This sets up a nightmarish race between the tenant/the agency trying to provide rental assistance and the eviction process. HB 674 mandates a stay on failure to pay rent proceedings, on a case-by-case basis, if a judge determines that a good faith rental assistance application to resolve the debt is pending.
- **Incentivizing landlords to accept rental assistance.** Numerous landlords – both large corporations and smaller operators – are refusing to accept rental assistance. Some refuse it across the board. Others pick winners and losers – accepting the rental assistance for some favored tenants and refusing it for

others. If the landlord wants to use a state-funded judicial process to collect the rent, they should be required to accept rental assistance.

- **Aligning the pace of rental assistance with eviction processes for fairness and efficiency.** Even as local rental assistance programs have worked overtime to innovate solutions that make landlords whole while keeping residents housed, they were exceedingly outpaced by eviction filings. In July 2021, the ratio of eviction filings to households served by emergency rental assistance programs was nearly **9:1**. Even with the incredible ramp-up effort over summer and fall, plus the implementation of new notice requirements under HB18 (Oct. 2021), that ratio was still approximately **4:1**.



Amid this tide of eviction litigation, programs have had to prioritize applications in which tenants face pending evictions. They have collaborated with local sheriffs to identify addresses slated for eviction. The work of distributing federal relief funds broadly has become the urgent triaging of scheduled evictions. The cost of this dynamic has been to place timely applications on hold and have tenants waiting months for assistance, until they are on the brink of losing their home. This is not fair or efficient. It rewards landlords who aggressively pursue eviction by pushing them to the front of the line while leaving behind those landlords who are cooperating with rental assistance programs. HB 674 would remove the incentive for landlords to aggressively pursue eviction because the Court could pause the eviction while a good faith rental assistance application is pending.

No one should be evicted when there is money to pay the rent – especially during a pandemic. At least 16 other state and local jurisdictions have enacted protections for tenants who have applied for rental assistance by temporarily staying eviction process.ⁱⁱⁱ Additionally, some states have issued guidance that landlords who refuse rental assistance violate the state’s source of income law. For these reasons, **the Maryland Center on Economic Policy respectfully requests the Judiciary Committee make a favorable report on House Bill 674.**

Equity Impact Analysis: House Bill 674

Bill Summary

HB 674 provides authority for the court to pause the eviction process related to rent assistance.

Background

Right now, there is no statutory authority for judges to pause the eviction process related to rent assistance. HB 674 mandates a stay on failure to pay rent proceedings, on a case-by-case basis, if a judge determines that a good faith rental assistance application to resolve the debt is pending.

Equity Implications

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Impact

House Bill 674 will likely **improve racial, gender, and economic equity** in Maryland.

ⁱNational Equity Atlas (2021) *Debt in America* <https://nationalequityatlas.org/rent-debt>

ⁱⁱ Maryland Department of Housing and Development. *Emergency Rental Assistance Program Dashboard* <https://app.powerbigov.us/view?r=eyJrIjoiZDliMTA3YzUtMDBiMiooNmJLLThlZmMtYzMyMTkwZTFiY2NiIiwidCI6IjdkM2I4ZDAwLWY5YmUtNDZlNy05NDYwLTRlZjJkOGY3MzEoOSJ9>

ⁱⁱⁱ National Low Income Housing Coalition. *Tenant Protections and Emergency Rental Assistance During and Beyond the Covid-19 Pandemic*. https://nlihc.org/sites/default/files/Tenant-Protections_Emergency-Rental-Assistance-during_beyond_COVID-19_Pandemic.pdf