February 22, 2022

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TESTIMONY ON HB674 – POSITION: FAVORABLE

Landlord and Tenant – Stay of Eviction Proceeding for Rental Assistance Determination

TO: Chair Barve, Vice Chair Stein, and members of the Environment and Transportation Committee

FROM: Jeffrey S. Rubin

My name is Jeffrey Rubin, and I live in District 15. I am submitting this testimony in support of HB674, Landlord and Tenant – Stay of Eviction Proceeding for Rental Assistance Determination.

Maryland has unprecedented funding to prevent evictions. Every dollar of our <u>estimated rent</u> <u>debt of \$392 million</u> (Dec. 2021) can be paid by local emergency rental assistance programs (ERAPs) that have scaled up over the past year. 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, <u>705</u> <u>households</u> were evicted per month.

HB 674 provides a structural fix by:

- 1. **Providing the Court Authority to Temporarily Pause The Eviction Process.** Right now, there is no statutory authority for the Court to pause the eviction process related to rent assistance. This sets up a nightmarish race between the ERAP agency/tenant 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. *No one should be evicted when there is money to pay the rent especially during a pandemic.*
- 2. **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 who they like 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. No one should be evicted when there is money to pay the rent – especially during a pandemic.

- 3. 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 FTPR eviction filings to households served by ERAPs 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, ERAP 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, to 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 ERAP programs. SB 384 would remove that 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.
- 4. Adopting a National Best Practice of Pausing Eviction for Rental Assistance. At least 16 other state and local jurisdictions have enacted protections for tenants who have applied for rental assistance by temporarily staying the eviction process. Additionally, some states have issued guidance that landlords who refuse rental assistance violate the state's source of income law. No one should be evicted when there is money to pay the rent especially during a pandemic.

For all these reasons, I urge a favorable report on HB674, with sponsor amendments that conform to the cross-filed SB384.