

HOMELESS PERSONS REPRESENTATION PROJECT, INC.

201 North Charles Street, Suite 1104 Baltimore, MD 21201 (Headquarters)
P.O. Box 1787, Rockville, Maryland 20849 (Satellite Office)
(410) 685-6589 www.hprplaw.org

Support – SB 420

Human Services – Temporary Cash Assistance – Housing Allowance Hearing of Senate Finance Committee, February 23, 2023 Testimony of Audreina Blanding, Linda Kennedy Fellow Homeless Persons Representation Project

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal services organization that provides free legal representation to people who are experiencing homelessness or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP has helped thousands of individuals and families to obtain benefits through administrative appeals and advocacy around the Temporary Cash Assistance (TCA) program, Maryland’s federal Temporary Assistance for Needy Families (TANF) program. However, even when families receive TCA benefits, many still cannot afford stable housing in the face of rising rental costs and lack of affordable housing. Thus, HPRP unequivocally supports SB 420 which will provide families with a housing allowance of \$350 per person, plus \$100 for each additional household member.

Families that Receive TCA Cannot Afford Unsubsidized Rent in Maryland

Currently, Maryland is the 9th most unaffordable state to live in.¹ In 2023, the United States Department of Housing and Urban Development (HUD) determined that fair market rent (FMR)² for an unsubsidized two-bedroom apartment is \$1,548 in seven Maryland counties, including Baltimore City, Baltimore County, and Anne Arundel County.³ The FMR is as high as \$1,838 in five counties, including Prince George’s County and Montgomery County.⁴ However, a household of three people would only receive a TCA benefit of \$727 per month at *maximum*.⁵ Therein lies the problem: over 70% of all families that receive TCA reside in one of five counties⁶ with an FMR that is 2.1 times higher than their benefit. The unaffordability of rent explains why at least 1,113 families that received TCA in 2022 still experienced homelessness.⁷ It is clear: TCA alone is insufficient for families living in Maryland without subsidized housing.

SB 420 Addresses Racial Inequities, Increases Low Income Families’ Access to the Rental Market, and Provides Housing Stability.

The rising rental costs, and insufficient incomes to meet that burden, have put an increased strain on low-income families which only exacerbates pre-existing racial inequities. Of all families that receive TCA in Maryland, 64.5% are Black, who—due to a long history of racism and racially

¹ AURAND, ET. AL, *Out of Reach 2023*, NATIONAL LOW INCOME HOUSING COALITION (2023), <https://nlihc.org/oor/state/md>

² FMRs are housing market-wide estimates of rent (plus the cost of utilities) that “provide opportunities to rent standard quality housing” in the area where rental “units are in competition.” The FMR is “expressed as a percentile point within the rent distribution of standard quality rental housing units in the area.” HUD generally sets FMR at the 40th percentile: the amount below which 40% of standard quality units fall. FMRs exclude “public housing units, newly built units and standard units.” 24 C.F.R. § 888.113.

³ See *2023 FMR Summary*, HUD (2023) https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023state_summary.odn

⁴ This is also the FMR for Calvert, Charles, and Frederick counties. *Supra* note 3.

⁵ The Department issued an informational memo in 2022 showing the current benefits schedule, available at [22-31 IM - TCA, TDAP Benefits Decrease](#)

⁶ Data obtained from the Maryland Department of Human Services through a Public Information Act request. In calendar year 2022, there were a total of 32,393 households that received TCA in Maryland. 70.35% of these households (22,788) were located in the following five counties: Baltimore City (30.09%); Baltimore County (13.94%); Prince George’s County (12.76%); Anne Arundel County (7.62%); and Montgomery County (5.94%).

⁷ *Supra* note 6.

discriminatory housing policies⁸—are already disproportionately likely to face severe rent burdens and experience homelessness.⁹ In fact, of the 1,113 TCA families that experienced homelessness in 2022, 69.4% were Black.¹⁰ Thus, the lack of affordable housing and inadequate income to afford rent is also a clear racial justice issue.

SB 420 will alleviate that strain on low-income families and mitigate the historic racial inequities surrounding housing. While this allowance may not cover the cost of every basic need, the help it will provide is critical for families that have very low or no other income. With SB 420, that same family of three will receive a maximum TCA benefit of \$727, plus a \$550 housing allowance, which will provide the family with a total TCA benefit of \$1,277. This will help a family pay for rent, utilities, diapers, toiletries, medicine, transportation, or any number of other costs. Not only will this allowance offer the family more access to the rental market, but it will provide housing stability to Maryland households, particularly for Black families.

Federal TANF Funding Can and Should Be Used to Reduce Housing Instability and Homelessness in Maryland

It is imperative that federal TANF funds be leveraged to aid low-income families experiencing or at risk of housing instability or homelessness.¹¹ While federal subsidized housing programs can address these issues, 3 in 4 low-income renters in need of federal rental assistance do not receive it.¹² Here in Maryland, there are long waiting lists for public housing and Section 8 housing (Housing Choice Voucher). These lists are typically closed; even if they are open, it is only for a few days and applicants are selected through a lottery system. For example, the Section 8 Housing Choice Voucher waiting list is currently closed in Baltimore City¹³ (the home to the largest percentage of families that receive TCA). The last time this wait list was open was October 2014, for a mere nine days; before that, the list had not been available since 2003.¹⁴ To address the lack of affordable housing, other states have created housing allowances within their TANF programs to address housing instability and Maryland should do the same through SB 420.¹⁵

HPRP strongly urges the Committee to issue a favorable report on SB 420. If you have any questions, please contact Michelle Madaio (she/her), Director – Economic Justice, at (410) 716-0521 or mmadaio@hprplaw.org.

⁸ A majority of Black families do not own homes today as a direct consequence of segregationist practices such as redlining, restrictive covenants, domestic terrorism, etc. See generally A.M. DICKERSON, *Systemic Racism and Housing*, 70 EMORY L. J. 1535 (2021), <https://scholarlycommons.law.emory.edu/elj/vol70/iss7/5/>. See also RICHARD ROTHSTEIN, *The Color of Law: A Forgotten History of How Government Segregated America*, LIVERIGHT (2017).

⁹ WILL FISCHER, SONYA ACOSTA AND ERIK GARTLAND, *More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes*, CENTER ON BUDGET AND POLICY PRIORITIES (May 13, 2021), <https://www.cbpp.org/research/housing/more-housing-vouchers-most-important-step-to-help-more-people-afford-stable-homes#>

¹⁰ Appendix, *supra* note 6.

¹¹ See ALI ZANE, ET. AL. *TANF Can Be a Critical Tool to Address Family Housing Instability and Homelessness*, CENTER ON BUDGET AND POLICY PRIORITIES (July 19, 2022), <https://www.cbpp.org/research/family-income-support/tanf-can-be-a-critical-tool-to-address-family-housing-instability>

¹² Only 1 in 4 eligible renter households receive federal rental assistance due to funding limitations. See ERIK GARTLAND, *Chart Book: Funding Limitations Create Widespread Unmet Need for Rental Assistance*, CENTER ON BUDGET AND POLICY PRIORITIES (Feb 22, 2022), <https://www.cbpp.org/research/housing/funding-limitations-create-widespread-unmet-need-for-rental-assistance>

¹³ Housing Authority of Baltimore City, <https://www.habc.org/habc-information/programs-departments/hcvc/hcvc-applicants/>

¹⁴ NATALIE SHERMAN, *City to Open Section 8 Wait List for First Time Since 2003*, BALTIMORE SUN (October 2, 2014), <https://www.baltimoresun.com/maryland/bs-md-waitlist-20141002-story.html>

¹⁵ Six states provide a housing allowance to their TANF beneficiaries to combat rising rental costs. These states include Hawaii (providing \$500), Maine (providing \$300), Minnesota (providing \$110), Massachusetts (providing \$40), North Dakota (providing \$50), and Vermont (providing up to \$45). See ZANE, *supra* note 11.